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ABSTRACT

Designed for individuals and groups seeking to organize consumer activities, this guide focuses on how to build consumer competence, how to organize others, where to get training, and how to influence policy makers. Chapter I discusses how to educate oneself for consumerism by using product-rating periodicals, libraries, public consumer agencies, television, and radio. Twelve steps are listed for filing a complaint, and various types of solving more serious consumer problems are described (government agencies, business or trade associations, and consumer groups). A brief glossary of dispute settlement language is also presented. Chapter II presents studies of the successful organization of seven consumer groups and discusses incorporation, funding sources (grants), and affiliation with other groups. Further sources of information (publications and groups) are suggested. The advice of eight consumer leaders on group organization and operation conclude the chapter. Chapter III describes two additional activities for consumer groups: consumer advocacy training programs through universities, consumer groups, cooperatives, and industry; and participation as consumer representatives in government and industry policy making forums. Notes and availability information on various supplementary publications are interspersed throughout. (JH)

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A GUIDE TO CONSUMER ACTION

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U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
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Foreword

This booklet is an effort to respond to the many individuals and groups in search of the know-how necessary for organizing consumer activities. Though it primarily serves the would-be community organizer in need of guidance and resources, school personnel seeking consumer education information will also find it helpful.

The manuscript for this guide was prepared under the direction of Helen E. Nelson, professor of economics and director of the Center for Consumer Affairs, University of Wisconsin-Extension, Milwaukee.

A nationally respected authority on consumer affairs, Mrs. Nelson first gained recognition as a consumer advocate when she was appointed Consumer Counsel for the State of California in 1959. She has since contributed to consumer oriented legislation and policymaking at the State and national levels. She is now a member of the Wisconsin Governor's Council for Consumer Affairs, the Governor's Health Planning Council, and the Wisconsin Board of Agriculture. A member of the consumer advisory group of the Federal Energy Administration, she is also an officer of Consumers Union of U.S., Inc., and is a public governor of the American Stock Exchange. She has also been a two-term president of the Consumer Federation of America.

The following members of the Center staff worked with Ms. Nelson on the manuscript: Liz Allen and Kit McNally joined in authoring the material. James Brown served as legal advisor. Gretchen Nelson was the manuscript typist.

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Preface

Being a consumer is a lifetime endeavor. It means converting your income—received weekly, monthly, yearly—into a way of life. It means making the decisions on all the goods and services that go into fashioning that way of life.

In the United States it also means participating through our democratic process; for example, in the public policy decisions on interest and utility rates, on available educational and health facilities, and on what goods and services our taxes will provide or subsidize.

Only recently in our 200-year history have we begun to recognize the formidable challenge of our consumer role. Now we are beginning to address it with the seriousness and commitment we have long given to preparing and positioning ourselves to earn the income we convert. This handbook is designed for those who would address their consumer role more seriously, individually and collectively.

Individually, most young persons entering a lifetime of relatively steady employment today can expect to earn half a million dollars or more to convert into a way of life before they start to receive Social Security payments. (An average of $12,500 a year over 40 years is $500,000.)

If, in the process of converting $500,000 into a way of life, even 5 percent is lost through shoddy merchandise, impetuous purchasing decisions, excessive interest rates, uneconomical transportation, or any of the many other economic manholes through which the consumer's coins can drop, that consumer loses the enjoyment of $25,000.

Collectively, consumers are by far the greatest force that powers our economy.

Consumer spending runs about two-thirds of the total gross national product. Year in, year out, with variations that worry the economists, the sales tax collectors and the manufacturers, consumers account for about twice as much of the gross national product as business and government combined.

With consumer spending such a predominant factor in our economy, the efficiency of the consumption process, the satisfaction that it does or doesn't bring, the good things of life it enables families to enjoy, are an inescapable measure of how well our national economy serves the people. If one consumer's defeats, frustrations, and mistakes can mean

$25,000 lost, what might the total loss for all consumers be?

It is in our own best interests, both as individuals and as a Nation, to strive to enhance our capacity to function effectively in our important role as consumers.

In this last decade, consumers have been observing that, whatever issues they confront, whatever vendor they engage, the other party has an organization to represent him or support his position. In the bargaining relationship the consumer, as a single individual, is at a disadvantage too often, especially if that consumer is trying to make a change (or resist a change) in the consumer-vendor relationship.

Consumers are learning by example and by necessity to organize in order to address vendors and government from a more nearly peer position.

If you are one of them, this handbook is designed to help you.

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CHAPTER ONE

Building Your Consumer Competence

A young married couple does considerable comparison shopping and decides on the purchase of a bedroom suite. Then, after they've made their selection, the retailer tells them he can't let them have the suite at the price he quoted. They complain to a local government consumer agency, where an investigator persuades the retailer to deliver the furniture at the agreed-upon price.

A homeowner purchases almost $2,000 worth of home improvement services, paying for most of the work and materials in advance. Later, he finds the contractor's work is totally unsatisfactory. He takes his complaint to a third party arbitrator, who releases the homeowner from the rest of his financial obligation and orders the contractor to correct the defects.

A consumer buys a new auto and ends up bringing it into the auto repair shop 11 times in the first 5 months after purchasing it. The unhappy car owner goes to a community consumer organization, which arranges for two delegations of consumers to visit the car dealer. The dealer trades the lemon for a new vehicle at dealer's cost. In return, the consumer agrees to work on a complaint committee with the consumer group, solving other consumer grievances.

A woman in Missouri is angry and frustrated by high utility rates. She organizes other consumers with similar frustrations and winds up successfully intervening in proceedings before the State public service commission.

These problems, and their solutions, are real, drawn from the reports of community groups, government agencies, and private organizations. The problems are just some of those that consumers face every day: broken promises from merchants, poor service, defective products, and high prices for necessities. The routes the consumers chose to solve their problems show the wide range of options for resolving complaints. This handbook will explore some of those options. We'll look at resources available to you when you want to solve your own consumer problems, or prevent them in the first place. We'll direct you to those who can assist you when you are working to resolve consumer problems of others. We'll give you suggestions from those who are leading successful consumer organizations around the country on when and how to get involved in consumer action instead of mere reaction. Finally, we'll look at where you can go when you want more training as a consumer leader, whether to increase your organizing skills or to become an effective spokesperson before boards and regulatory agencies.

A handbook this size cannot possibly have all the answers for resolving consumer complaints, forming consumer organizations, or representing consumers effectively. Yet we hope the resources we've compiled here will help you to dig out more answers and to contact others who have already won—or lost—similar battles. The key is finding out how they won, what strategies they used, and if they lost, why.

Where do you begin to find the answers for yourself? How do you address the responsibility of a lifetime as a consumer? How can you help others locate the information and resources that can build consumer competence? To aid this exploration, we present in this first chapter a quick survey of some of the terrain an individual committed to responsibility as a consumer will want to come to know.

EDUCATING YOURSELF AS A CONSUMER AND FOR CONSUMERISM

To spend your money to build a way of life requires informed choice-making and an understanding of your options. There are basic aids available, some long-established and familiar, others recent and less known. Here are several suggestions.

Product-rating Periodicals

There are two reliable magazines which can help you comparison shop. Neither accepts ads or allows its findings to be used commercially. One, *Consumer Reports*, goes to 1.75 million subscribers who rely on its impartial analyses of everything from large and small appliances to frozen foods and automobiles. Subscribers receive the monthly magazine and annual *Buying Guide*, which replaces the December issue. Ratings are given in order of estimated overall quality, without regard

to price, and note any advantages or disadvantages of each brand tested. When test brands are "significantly superior" to others tested, they receive a "check-rating." Sometimes certain brands are also selected as "Best Buys," which means that the tested samples received a high rating, were priced relatively low, and yielded more quality per dollar than the products given an "acceptable" rating.

In addition to test results, *Consumer Reports* carries the results of research on public policy issues involving, for example, health and auto insurance and gives advice on purchasing services, such as a nursing home or a summer camp.

Consumer Reports is published by the nonprofit Consumers Union, established in 1936. The subscription rate is $11 a year, which includes the *Buying Guide*. To subscribe contact: Subscription Director, *Consumer Reports*, P.O. Box 1000, Orangeburg, NY 10962. Every subscriber receives a ballot for the annual election to the board of directors of Consumers Union. In addition to publishing *Consumer Reports*, Consumers Union also does consumer advocacy in the courts and before Congress and regulatory agencies.

The other magazine, *Consumers' Research*, established in 1927, is also published monthly. It rates products as "an independent, non-profit scientific, technical and educational nongovernmental public service organization." Its *Handbook of Buying* issue is published every October. Product ratings follow this scale: A. recommended; B. intermediate; C. not recommended. Occasionally, products are rated AA. The *Consumers' Research* staff believes "you can't really test and pick out a best buy," as one spokesperson said. Instead, by evaluating product defects and safety factors and reporting on them, *Consumers' Research* attempts to "let the consumer himself make up his own mind." Prices are given but do not affect the product's rating. *Consumers' Research* is supported by its subscriptions but is not a membership organization. Subscription rates are $9 a year, which include the *Handbook of Buying*. To subscribe contact: Consumers' Research Inc., Bowerstown Rd., Washington, NJ 07882.

Libraries

From a study of monthly and annual reports, newsletters, and various reading lists reaching its office, the American Library Association can vouch that libraries are trying to service the needs of consumers. "I know it's happening. But it isn't being done in a formal way," said Mary Jo Lynch of the American Library Association. Libraries have long made available *Consumers' Research* and *Consumer Reports* to their readers. "Now, however, librarians are realizing that these publications are only a first step toward getting consumer information," Ms. Lynch said. "Libraries are getting into materials that are everyday life oriented."

In 1975, for instance, the Milwaukee Public Library system published a *Consumerism Booklist*, which listed "books for the consumer, consumerism sources for business and industry, handbooks of consumer information and periodicals of interest to the consumer." According to a Milwaukee librarian, the resource list was compiled in response to requests from consumers and business people. The Milwaukee library also helps those seeking consumer information in other ways. It can direct its patrons to the magazines that evaluate products, help them locate information about businesses, and refer consumers to consumer action agencies when necessary.

One publication which librarians find useful in keeping up-to-date on consumer issues, said Ms. Lynch, is *Consumers Index to Product Evaluations and Information Sources*. This quarterly publication is aimed at three groups: consumers, the business office, and the educational/library community. An annual cumulative index is also published. Articles from more than 100 periodicals are indexed under such headings as consumerism, money and the law, health and personal care, and the home. Subscriptions are $39.50 a year. To subscribe contact: The Pierian Press, Inc., P.O. Box 1808, Ann Arbor, MI 48106.

Also recommended is *Information for Everyday Survival: What You Need and Where to Get It*. Written by a community group in Morehead, KY, the book is geared "not to the super-sophisticated but to everyday people." It is available for $10 from: American Library Association, Order Department, 50 E. Huron St., Chicago, IL 60611.

Public Consumer Agencies

Don't wait until you have a complaint to contact your State or local consumer office. Find out now, while you're educating yourself, what functions your agency has and what kinds of consumer education programs it features. If your office does a good job of making itself visible in the community, you may already be aware of those things.

Some offices are making a strong effort to educate consumers. The New Orleans Mayor's Office of Consumer Affairs can't recommend a specific company but the staff can tell a phone caller whether the office has received a complaint about a certain business or merchant and how the complaint was resolved. The office's efforts are starting to pay off. One staff member who handles housing complaints said many people are starting to call in advance to check out an apartment complex before renting.

Other examples of agency consumer education efforts: the Montgomery County, MD, Office of Consumer Affairs published two reports on banking services in the Washington, DC, metropolitan area, listing how much banks charge for checking accounts and how much banks pay in interest on savings accounts. The Suffolk County, NY, Department of Consumer

Affairs regularly publishes a list of hamburger prices and the percentage of fat found in tested samples of hamburger at area supermarkets. The Sacramento County, CA, Consumer Protection Bureau published a price list of area funeral home services. This type of information gathered by consumer agencies can help you make wise choices before you put any money down or sign a contract for a product or service.

Many sources have compiled directories of government consumer protection agencies. Because it's been done, we've elected to skip that task. According to one recent published report, there are 362 consumer offices in the United States, Guam, Puerto Rico, and the Virgin Islands. The responsibilities and powers of the offices differ greatly. Some handle all sorts of consumer inquiries and complaints; others are limited to specific complaint areas. To find yours, consult your telephone book or one of those many other directories. Probably the most up-to-date and one of the least expensive—the 1976 version was 95 cents—is the Directory of Federal, State, County, City Governmental Consumer Offices, published by the Department of Health, Education, and Welfare, Office of Consumer Affairs. It is available from: Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402.

Television and Newspapers

Both these media can be effective tools for educating yourself on consumer issues.

Consumer Survival Kit (CSK) made its debut in 1972 as the result of a proposal submitted to the Maryland Center for Public Broadcasting. It now appears on 236 out of 260 Public Broadcasting System (PBS) stations across the Nation.

By recognizing entertainment as the key to drawing a television audience, the originators of CSK combined information with a variety show format. The entertainment—sketches, interviews, songs, dances—is packed with useful tips and is followed by a final wrap-up telling viewers how and where to go for help on the consumer problem of the day.

A back-up to CSK's visual message is a magazine-type publication, also titled *Consumer Survival Kit*. Sent upon request to any viewer ($1 per copy—$26 for a subscription covering all of the shows in a broadcast season) the 24-page magazines contain materials used in the preparation of each show as well as materials which were not used.

The magazines are available from *Consumer Survival Kit*, Maryland Center for Public Broadcasting, Owings Mills, MD 21117.

The actual effectiveness of CSK as an educational tool has not yet been fully gauged. However, a small pilot study of Maryland viewers conducted in 1976 by faculty members of the University of Maryland yielded results statistically significant enough to warrant a broader, more comprehensive study. The study is scheduled for completion by 1978.[1]

The use of the media through "action lines," whether in a print or broadcast format, can provide indirect consumer education as well as complaint resolution. A regular reading of the columns that publish names of offenders can steer you away from the more notorious merchants and companies. But more on that later, when we look at action lines as an option for settling complaints.

SOLVING PROBLEMS

Even if you've done an effective job of self-education, sooner or later you will encounter a consumer problem (your own or someone else's) that needs resolution. What should you do? Here are some guides on where to turn for help and how to do it.

Being angry because you have a justifiable complaint isn't enough. There are right and wrong ways to complain. (There are even entire books on how to complain angrily, cheerfully, or lucratively.) Some of the most down-to-earth advice is found in *The Compleat California Consumer Catalogue*, published by the California Department of Consumer Affairs. It lists the following steps for registering a complaint:

(1) Pursue your complaint as soon as possible while it's still fresh in your mind;

(2) Explain the problem clearly and without hesitation;

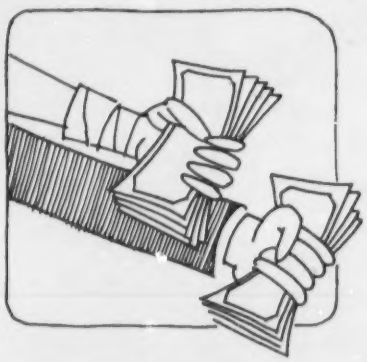
(3) Be courteous, yet firm in your approach;

(4) Be in control of your emotions;

(5) Have all your supporting documents in appropriate order;

(6) Listen carefully to what you are offered to settle your complaint. Does it sound acceptable?

(7) Be willing to compromise when it is in order. Compromise is more appropriate



when you are partially at fault, or when you will get nothing without compromising;

(8) When you register a complaint, if possible first talk to the clerk you dealt with;

(9) If the clerk cannot help you, complain to the manager;

(10) If the manager can't help you, go to the next level of authority—all the way up the line until you get satisfaction;

(11) Always be persistent even if your initial efforts have been rebuffed. You must remember that you are probably prepared to give your own problem more attention than others who eventually might handle your case;

(12) Wait a reasonable amount of time for your complaint to be settled.

The Catalogue's section on "Resources" also includes a sample complaint letter and tells consumers to send copies, never originals, of all documents when making a complaint.

The Catalogue, which gives California consumers information on more than 40 consumer topics, is also being ordered by persons in other States and even from other countries. It is available for $1.50 from: California Department of Consumer Affairs, Documents and Publications Section, P.O. Box 20191, Sacramento, CA 95820.

If you can't get a satisfactory resolution to your problem by taking the 12 steps above, you have options. You can turn to a government agency, to a complaint-handling service offered by a business or trade association, or to a consumer group. Here is a rundown of those alternatives.

State and Local Governments

Most States and many cities and counties have a consumer agency in addition to the attorney general or district attorney offices. You've already located yours when doing your consumer self-education. Now use the office when you have a consumer complaint. Each office will have its own procedures for handling complaints. Some have the force of law behind them; others use the persuasive powers of their staffs to get your money back or your complaint settled. Most agencies will ask you two things: did you try to resolve the dispute yourself and do you have the necessary documents—contracts, canceled checks, sales literature?

According to the National Association of Attorneys General, 90 percent of State attorneys general offices have consumer complaint-handling operations and can either assist the consumer directly or refer the consumer to the appropriate agency for help. In addition, most State unfair or deceptive trade practice statutes are enforced by the State attorney general's office. As this handbook was prepared, six New England States were awaiting word on a grant that would enable the attorneys general in each of those States to compu-

terize individual consumer complaints and alert one another when one scheme or fraud seemed to be moving around. A special report, *Placement of State Consumer Protection Programs*, is available for $1 from: National Association of Attorneys General, 3901 Barrett Dr., Raleigh, NC 27609.

If you feel you've been the victim of an economic crime such as deceptive solicitations for charity, investment fraud, or false advertising, the National District Attorneys Association (NDAA) urges you to contact your local district attorney. Some can help you more than others. Operating with Federal funds in its fourth grant year, the NDAA has 53 district attorney's offices participating in a special project to combat "economic crime offenses." One purpose of the project is to coordinate investigations into frauds that are occurring simultaneously across the country. During its second year, the project coordinated investigations on gas-saving devices, charity solicitation frauds, gold and silver frauds, rental locators, auto rebates, business opportunities, and nursing homes. The NDAA has also developed a *Citizens Handbook on Economic Crime*, which can be adapted by local offices.

The powers of district attorney offices vary (some handle both civil and criminal cases, others only criminal cases) and so do the priorities of those offices which have economic crime units. "Some offices have concentrated on consumer complaints; others have emphasized investigation of major frauds; and others have combined their emphasis in varying proportions," notes the project's annual report.[2] Contact your local district attorney to see whether the office participates in the economic crime project. For more information on the project contact: Economic Crime Project Center, National District Attorneys Association, 1900 L St., NW., Suite 607, Washington, DC 20036.

Federal Government

Guide to Federal Consumer Services, published by the Office of Consumer Affairs in the Department of Health, Education, and Welfare, lists the consumer functions of Federal departments and agencies, along with a contact person, address, and phone number.

Federal Information Centers, located in 74 metropolitan areas, can also help you find particular government programs or offices. The Centers are listed in phone directories under "U.S. Government."

How responsive are these agencies to consumers? The staff of *Everybody's Money*, a magazine published by the Credit Union National Association, decided to find out. They wrote to 20 of the Federal agencies listed in the Guide, requesting information or advice. They signed only their names so they would be treated as ordinary consumers and not as *Everybody's Money* staff. Of the 20 agencies contacted, 14 replied. "Much to our surprise, the federal bu-

reaucracy turned out to be much less remote than we thought. Although not all the agencies responded to our letters, we were pleased that well over half of them did. So the next time you think the government can help with a consumer inquiry or complaint, give it a try."[3] The *Guide to Federal Consumer Services* is available free from: Consumer Information Center, Pueblo, CO 81009.

Industry Self-Regulation

Responsible business leaders have felt the necessity on many occasions to exhort their fellow business leaders to "clean up our industry before the government comes in and cleans it up for us." Dedicated and creative effort has gone into that endeavor and as the voice of the consumer has become more public and persistent these efforts have accelerated. The appeal to business people is that self-regulation is voluntary whereas government regulation is mandatory. But because it is voluntary, self-regulation has weaknesses. The "bad guys" can opt out. The volunteer subscribers cannot apply penalties or order the actions of other volunteers. The approach, so far, has worked best in close collaboration with law enforcement agencies, as the Better Business Bureaus (BBB) have demonstrated.

First established by business leaders in 1912, BBB's are chartered to "build and conserve public confidence in advertising and in business generally."[4]

The local bureaus are run by business people, who determine policy and supply the financing. They are affiliated with the National Council of Better Business Bureaus.

In the early years, the BBB concentrated on eliminating disreputable competition. But the upsurge in consumer awareness in the 1960's caused many bureaus to enlarge their budgets and expand operations under the leadership of a National Council of Better Business Bureaus.

The efforts toward expansion did help relieve one chronic problem—inaccessibility. In the late 1960's a bureau representative reported that during a 5-year period better business bureaus had handled 7 million consumer inquiries or complaints, more than all government agencies combined; however, twice as many more consumers were unable to get through to their local BBB at all.[5]

Evidently, clogged phone lines did not deter the public from looking to the BBB as their advocate in the marketplace. A 1974 Roper poll indicated that 50 percent of the consumers interviewed who were unable to resolve their grievance with a merchant would first turn to the BBB for help. Another 12 percent said they would take their problem to an action line. Only 10 percent considered a State or local consumer agency. Sixteen percent had no idea where to go, and another 5 percent would simply have dropped the matter.

Bureau statistics indicate a great success rate in handling grievances. The Council reported that about 75 percent of all complaints made to the 143 local bureaus across the country were settled "satisfactorily" during the first half of 1976.

However, many consumers who complain to the BBB never pursue their complaint in writing. Nearly two-thirds of those complaining in 1974 fell into this category, meaning no action was taken on their complaint.[6]

Not all businesses in a community are members of the BBB, and businesses may be thrown out of the organization if they fail to meet established standards. However, the bureaus do keep records of complaints on nonmembers as well as members.

A BBB will generally categorize a business according to its performance, and a consumer calling for information will receive one of several stock answers regarding the business.

For example, the Milwaukee BBB usually reports that, based on its files, a company (1) meets BBB standards and has a satisfactory record, (2) has been the subject of complaints which have been answered or adjusted, (3) does not meet BBB standards, (4) is new in the area and has not yet established a record of policies and customer experience, (5) has not responded to BBB attempts to obtain information regarding its business background and activities, or (6) has provided no information currently on file, but the BBB is in the process of developing a report.

Callers may also be given additional information about a company, such as why it does not meet BBB standards or that it is the subject of investigation by a regulatory agency.

In their complaint handling, the BBB will take action only if the consumer has failed to resolve the problem himself. He is sent an official complaint form which is then forwarded to the merchant, who is expected to respond voluntarily. The BBB cannot force a merchant to settle a complaint.

Nearly 100 bureaus report they offer an arbitration service to the consumer and the merchant for some types of disputes.[7]

The Milwaukee BBB was the first in the Nation to begin an arbitration program, and uses it only for dry cleaning and laundering complaints. Milwaukee arbitrates 30 to 40 cases a month but some bureaus handle only a handful of arbitrations a year.

Methods of arbitration vary among bureaus, but in general it is a voluntary, legally binding process where legal precedents do not apply and from which there is no appeal. An independent arbitrator, usually a volunteer trained by the National Council of Better Business Bureaus or the American Arbitration Association, hears both sides and renders a decision which is enforceable through the courts. Sometimes an arbitration panel is used.

One survey of decisions rendered showed 40 percent going to the business person, 40 percent to the consumer, and the rest being split.[8]

Five trade associations have now developed programs geared specifically to settling disputes about the products the members of their industries market and sell: new homes, major appliances, new autos, furniture, and insurance policies. These five industry programs reflect the conviction of the sponsoring trade associations that self-regulation is the best kind of regulation. Here briefly is how each program works.

Consumers who purchase a new home through a builder participating in the Home Owners Warranty Program (HOW) receive a 10-year warranty covering major structural defects. When a homeowner and a builder reach a stalemate over whether a defect is covered by the warranty, they take their dispute to the local HOW Council (now in operation in most major cities in the United States), where a conciliator is appointed to work with the two parties to help them reach an agreed-upon solution. If conciliation fails, the two parties can agree to arbitrate. Then independent arbitration is arranged through the American Arbitration Association. To institute either conciliation or arbitration, the complaining party must deposit a fee with the local HOW Council. The fee is returned if the claim is found to have merit. As this handbook was prepared, HOW was revising its program to bring it technically in line with Federal Trade Commission warranty rules, which require that conciliation be done by someone outside the industry. The HOW program uses a third party builder as conciliator. A HOW spokesperson said the program would continue to resolve disputes and promised that HOW would keep consumers informed of the process that would be used. For more information contact: Home Owners Warranty Corp., National Housing Center, 15th and M Streets, NW., Washington, DC 20005.

The Major Appliance Consumer Action Panel (MACAP) is sponsored by the Association of Home Appliance Manufacturers, the Gas Appliance Manufacturers Association, and the National Retail Merchants Association. MACAP will take on a consumer's complaint about a dehumidifier, dishwasher, disposer, gas incinerator, humidifier, home laundry equipment, range, refrigerator, freezer, room air conditioner, trash compactor, or water heater after the consumer has contacted the dealer, service agency and company headquarters (in that order). The nine members of the MACAP panel, who are "consumer representatives independent of the appliance industry," meet once every 6 weeks to consider complaints and make recommendations for settlement. If the panel needs more facts to make its recommendation, it sends a local volunteer technical assistant to get them. An independent audit of

MACAP's procedures found that 81 percent of the reported problems were resolved to the consumer's satisfaction. For more information contact: Major Appliance Consumer Action Panel, 20 N. Wacker Dr., Chicago, IL 60606 or use the toll free number: 800/621-0477. (Illinois residents should call collect: 312/236-3223.)

The Automotive Trade Association Managers and the National Automobile Dealers Association initiated the idea of the Automotive Consumer Action Panel (AUTOCAP). But unlike the appliance and homeowner consumer programs, AUTOCAPs are highly decentralized. Some AUTOCAPs are sponsored by statewide associations of new auto dealers; others operate through local associations. Over half have panels of mediators, including both dealers and consumers, and the others have a single mediator.

The first phase of the panel's action is to forward a consumer's complaint to the dealer. If a solution can't be reached there that satisfies the consumer, the complaint is reviewed by the panel at a regularly scheduled meeting, where the panel attempts to resolve the complaint through "peer pressure and self-regulation." Plans are eventually to establish a national AUTOCAP to handle complaints that can't be solved by the State and local panels. To find out if there is an AUTOCAP in your area contact: National Automobile Dealers Association, 8400 Westpark Dr., McLean, VA 22101.

The Furniture Industry Consumer Advisory Panel (FICAP) is sponsored by the Southern Furniture Manufacturers Association and describes itself as "a national program to assist any consumer with furniture problems involving manufacturing defects, quality and service." FICAP's literature stresses that it is an "advisory body" with no authority to enforce action it recommends. In addition, FICAP notes that it cannot help a consumer obtain a refund for an item. Before turning to FICAP, the consumer is required to try to settle the complaint with the retailer; the retailer, in turn, is supposed to try to settle the problem with the manufacturer. Only when that doesn't work will FICAP take on the complaint. FICAP then acknowledges receiving the consumer's complaint, notifies the manufacturer and retailer of the complaint, and requests "immediate resolution." If the problem is not resolved within a reasonable time, the panel gives a final "advisory opinion." For more information contact: Furniture Industry Consumer Advisory Panel, Box 951, High Point, NC 27261.

The insurance industry has launched a pilot program, the Insurance Consumer Action Panel (ICAP), to "determine the feasibility of establishing a consumer-complaint handling mechanism in the property and casualty business." The program is sponsored by the National Association of Mutual Insurance Agents and the White House Office of Consumer Affairs. It

differs in several respects from the other CAP programs. First, the complaints reviewed by the five-member panel (all nonindustry persons) will be coming from the offices of the insurance commissioners of four cooperating States—Michigan, Mississippi, Montana, and Utah—instead of individual consumers. The ICAP staff will try to resolve the forwarded complaints. Those that can't be resolved by the staff will be sent to the panel, which meets quarterly. The recommendations made by ICAP to the consumer, the insurance company and its agent will be nonbinding. The complaints that come to ICAP will be those that could only be resolved in the individual States by civil suit. For more information contact: Insurance Consumer Action Panel, 640 Investment Building, Washington, DC 20005.

One consumer action panel still popping up in resource guides went out of existence in September 1975: The Carpet and Rug Industry Consumer Action Panel.

News Media Action Lines

The potential for "action lines" to help resolve consumer complaints is enormous because of the power of the media—both print and broadcast—to publicize names and offenses.

Within the last 10 years action lines have proliferated to the point where they are carried in some form in almost 40 percent of the Nation's daily newspapers. Interestingly enough, a 1973 survey showed them to be the most read feature in 17 percent of the 222 papers surveyed.[9]

Most recent, and in some instances more dramatic, is the televised version.

Action lines with the courage to name names, the stamina to see a problem through to resolution, and the staff to handle the volume of complaints can be quite valuable to consumers.

For example, an action line in Rochester, NY, took the standard line of reporting a complaint against a doctor to the local medical society. But it trod where few other action lines do by following up on the complaint. The end result was the doctor's expulsion from the medical society.[10]

However, many action lines skim off only the most interesting inquiries, leaving hundreds to thousands of complaints untouched.

Others will simply refer a complaint to the offending party and number it among its successful resolutions as long as the offender replies he is looking into the matter. Arthur Levine, a contributing editor to *Washington Monthly* magazine, has labeled such action lines the journalistic equivalent of the Better Business Bureau.

Consumer Groups

Some, but not all, community consumer groups handle individual consumer complaints. Find out if your community has a local consumer group and what kinds of services it offers. The consumer group may, in

fact, be the first place you want to stop on your way to solving a complaint. A key to the success of a consumer organization is how well it gets people organized and keeps them organized, so taking your complaint to a consumer group will probably require that you get involved in the group's resolution of your complaint. You may pay a membership fee; you may be asked to contribute a percentage of the money you recover from the complaint. You may also be asked to work on a complaint committee to resolve grievances other consumers bring along. That's how one of the most well-known and widely respected consumer groups in the country works. San Francisco Consumer Action explains in its monthly newsletter how its complaint committees work:

"Bay area people with consumer grievances help each other resolve problems through Consumer Action's Complaint Resolution Committees. These committees are comprised of people who have consumer grievances. They listen to each other's problems, decide what action should be taken and then act collectively to resolve the matter. Each committee member is required to work on other people's problems; the complaint committee is not a service agency."[11]

The complaint handling processes of industry programs and government agencies think of you as a lone consumer. Consumer groups, though, have the advantage of bringing together consumers not only to solve the individual complaint but to eliminate its cause. You may already be convinced of the value of consumer groups. But how do you get one started? Chapter Two explores that question.

A final note on resolving complaints: With all the above options, to which agency should you complain first? Should you take your complaint to every organization? The best advice is to target your complaint to one agency or organization but make generous use of carbon paper to alert the other groups to your problem. Be sure to let the person or agency receiving the original know to whom you are sending carbons.

Legal Help

If the above alternatives fail, you may decide that legal help is what you really need. Going to Small Claims Court is a legal yet informal way to settle complaints.

Over 60 years ago Dean Roscoe Pound of the Harvard Law School came up with the idea for small claims courts: places where anyone could plead his case without knowing legal jargon or hiring an expensive attorney.

What has happened too often is that such courts have become primarily a means for finance companies, landlords, and merchants to collect bills.

One Denver judge estimated 95 percent of the cases he heard were brought by business. Of 5,486 claims filed in one year by a New York ghetto jewelry store, 5,360 were

awarded in the store's favor. In such lopsided circumstances as this, summonses are often never served on the defendant—even though it's unconstitutional not to serve them.

If the defendant/consumer is served with a summons, he may not be able to afford a day off work to appear. There are still relatively few small claims courts which hold night or Saturday sessions.

However, the track record is good for consumers who do initiate action in small claims courts. In Philadelphia 80 percent of the consumers bringing suit in a recent year won settlements or judgments; 96 percent won in Ann Arbor, MI.

As of November 1976, 42 States had either a small claims court or a system for handling small claims in other courts. Those States with no provisions for small claims are Arizona, Delaware, Louisiana, Mississippi, South Carolina, Tennessee, Virginia, and West Virginia.[12]

In *A Public Citizen's Action Manual*, Donald K. Ross suggests calling the civil division of the local courthouse, the sheriff's office or police station, or in desperation the State attorney general, to locate the small claims court in a given area.

The manual also outlines a procedure whereby consumers can evaluate their small claims courts and make them more responsive.

The procedure for using small claims courts varies somewhat from State to State, but generally for a fee of less than $15 you can file a claim and present your case informally without the aid of an attorney. In 1976 the dollar ceiling on suits which could be filed ranged from $150 in Texas to $3,000 in Indiana.

After completing a study of small claims courts in 1971, Consumers Union devised a guide to help consumers who contemplate taking their case to court (*Consumer Reports*, October 1971). One of its suggestions: ask a lawyer/friend for a little free advice before stepping up to the bench. More affluent consumers may well number a lawyer among their friends, but the unwealthy are not without a recourse.

Using $125 million appropriated by Congress for 1977, the quasi-public Legal Services Corporation makes grants to approximately 300 legal service programs across the Nation. It may be called legal services or legal aid, but every State has the program. However, that does not mean all parts of the State's population are served. The Corporation is charged with seeing that legal services

are readily available to the poor.

The goal of the Corporation is to provide the services of two attorneys per 10,000 poor by 1980. Geographical areas containing the largest number of poor people with no access to legal services will be given priority in the establishment of new programs.

Guidelines for establishing new programs are available from the Legal Services Corporation, 733 15th St., NW., Washington, D.C. 20005.

Legal Services attorneys work in the realm of civil law where, unlike criminal law, the courts have no obligation to provide an indigent with legal counsel.

Legal Services attorneys have some limits on the types of civil suits which they can file. However, they can be very useful to low income consumers in civil actions concerning such things as unscrupulous credit actions and irresponsible landlords.

In some areas Legal Services attorneys specialize in particular areas of poverty law and may be willing to work with consumer organizations in reforming State laws.

A new way for consumers, and others—if they are organized in groups—to get access to legal counsel is to form a group legal service. Members of the group (or their employers) prepay a flat amount of money for predetermined types of legal services. Most of the plans formed to date are in labor unions. Like health insurance, the legal services plan may merely pay part of the bill from your private lawyer or it may have a group of attorneys on salary to whom you go with your problem. Likewise, there are exclusions, such as defense against criminal charges, a suit against the union, etc.

An example of a consumer sponsored group legal service is one initiated by the Consumers Cooperative of Berkeley. Any of the 86,000 members of the co-op are eligible to become members of Consumers Group Legal Services. For those who join and pay the annual specified fee, legal services are provided by both salaried staff attorneys and designated attorneys in private practice who have contracted to serve at agreed-upon rates. For more information contact: Consumers Group Legal Services, 1414 University Ave., Berkeley, CA 94702.

The best resource for information on all forms of group legal service is: National Resource Center for Consumers of Legal Services, 1302 18th Street, NW., Washington, DC 20036.

Currently, the value of private attorneys to consumers and consumer organizations is limited. Their fees remove them from the consumer arena on many issues; besides, those who specialize in consumer law are hard to find.

Lawyer referral services aren't always helpful in matching a consumer problem to the proper attorney, but the State attorney general or public interest law firm, if there is one, may be able to provide some

names. Newspaper accounts of class actions may also reveal the name of a private attorney interested in consumer causes.

Where no other resource exists, it is worth a try to approach a private law firm with a particular issue and prevail on it to take up the matter *pro bono publico*—free service for the public good.

In some places continuing legal education programs are attempting to educate lawyers to the fact that there is money to be made by handling consumer issues through class actions, plaintiff antitrust cases, and attorney fee award cases.

These programs make private attorneys more interested in consumer issues, but until consumers win their battle with bar associations to publish lawyer directories, finding a private consumer lawyer is going to remain a challenge.

Some consumer organizations, like the Virginia Citizens Consumer Council, may find legal expertise within their own memberships.

Dispute Settlement Language

Much of the language of consumer dispute settlement is borrowed from labor-management relations. The definitions alone, though, don't give a clue to how much bargaining power each device gives you. Here is a brief glossary of the most commonly used terms, along with some comments by Howard Bellman drawn from his extensive experience in labor-management relations.[13]

Consumer. Purchaser or ultimate user of some good or service.

Vendor. A collective term used to signify either the seller or the provider of some good or service to the consumer.

Negotiation. Discussion between two (sometimes more than two) sides in which parties try to reach an agreement. No one in the discussion is identified as a neutral. Said Bellman: "There is a correlation between success in negotiating and the threat of implementing power. If you have a strong threat, you'll have successful negotiations. If you have a weak threat, you won't."

Mediation. Participation in a negotiation by a third (or neutral) party which has no power of its own to affect the terms of the settlement. It is the next step from negotiation because it does little to modify the balance between the negotiating parties. "The power that the mediator has is the power that's generated by the needs of the parties to settle. . . . There is a difference in quality between mediators, and a good one is going to do more for you than an indifferent one," Bellman explained.

Arbitration. A process voluntarily agreed upon or legally imposed which removes power from the parties in negotiation to a third party (neutral) arbitrator who rules on rights and equities. "They (arbitrators) don't simply give the lion's share to the lion like the other two devices." If the consumer is identified as being the weaker party and the vendor the "lion,"

why would the lion agree to submit to arbitration, with power removed from the equation? Bellman's answer: "Because arbitration provides an orderly means of dealing with conflicts. The employer or vendor who would win every conflict and every legal action doesn't want to do it over and over again. Stability is considered valuable. . . . perhaps most importantly, arriving at consensual dispute resolution procedures which satisfy or nearly satisfy all concerned keeps the government and the courts out of the act."

CHAPTER TWO

Organizing Other Consumers

There are many objects of great value to man which cannot be attained by unconnected individuals but must be attained, if at all, by association.—Daniel Webster

Angry about high prices for food and utilities, frustrated by rip-offs that occur again and again, anxious for laws that give them better protection in the marketplace, consumers have begun to recognize the need of association to attain their goals. If you've experienced the same anger and frustration about a consumer issue, you may have concluded that the most effective way to guard your rights and those of other consumers is to form a local consumer organization.

There is no magic formula for forming a successful consumer organization. But the following case studies of consumer organizations can give you some helpful insights from group leaders into why they organized and how they've achieved victories on consumer issues. We've also included some advice to the new consumer organizer from consumer group leaders across the country.

SOME SUCCESS STORIES: SEVEN CASE STUDIES

The case studies in this handbook were selected for several reasons. First, the groups are diverse: some are statewide, some are local, two are made up primarily of senior citizens, one is a student group, and one group pays special attention to the city's Latin community.[14] The groups use various methods to raise funds: all charge a membership fee, ranging from $2 to $15; some seek grants, others just contributions. Their activities show that priorities can be set: several concentrate on lobbying, others on handling complaints, still another on intervening in utility regulation proceedings. Two of the groups were formed in the 1960's; the others are relatively new. All, though, have one thing in common: each is succeeding in its top priority areas, whatever they may be.

Virginia Citizens Consumer Council (VCCC)

The potency of a single issue can sometimes mushroom into a massive and powerful

consumer organization. Ten years ago in Virginia there was no real organized consumer activity, but there were problems with supermarkets where food prices were rising rapidly. Rumblings of meat boycotts spread from Denver across the Nation and inspired a small group of women in northern Virginia to picket a large eastern grocery chain in protest against unnecessary services, like trading stamps, which contributed to high food costs.

From this nucleus spun a statewide organization of 1,500 members which has won four court cases—one, the precedent-setting U.S. Supreme Court decision which struck down the law prohibiting pharmacists from advertising drug prices.

The drug advertising case set a precedent on the right of access to needed information, which assisted the VCCC in winning a court decision in northern Virginia to permit the publication of medical directories, and in Federal court in Richmond to permit lawyer directories.

In addition, working in conjunction with the Community Nutrition Institute, the VCCC won an injunction against industry's mechanical deboning of meat.

Despite the enviable number of legal victories, Pat Portway, current VCCC president, says most of the organization's work is not done in the courts.

Public information, complaint resolution, and government reform are all within the scope of the VCCC.

The 1966 boycott generated interest from others in the community, and once they got together the participants realized they had other consumer concerns which no one was doing anything about.

After the boycott, the group stayed together and began publishing a newsletter. Newspaper publicity and the fact that consumer advocate Ralph Nader looked to the VCCC as his grassroots group in Virginia led to statewide interest and the establishment of branch chapters.

Publicity increased when VCCC took health clubs to task for some shoddy operations, and the decision to begin handling complaints generated additional interest and participation.

An entirely volunteer organization, the VCCC has eight State lobbyists. It successfully lobbied for local consumer protection offices in the State's major cities, and because its members were already experienced in handling complaints, many were appointed to the staffs of the new government offices.

In 1971, VCCC published *Action/Inaction*, a comprehensive book on the State legislature and its members. The result was major reform in Virginia's legislature. The book is in every library in Virginia and many major libraries throughout the Nation.

Every 2 years the organization publishes a consumer complaint guide, which is marketed along with standard paperback books throughout the State. The guide lists complaint-han-

dling agencies (and describes how to complain), State consumer protection laws, and the names of consumer representatives of major corporations.

At one time VCCC concentrated heavily on complaint handling, but with the establishment of the local consumer agencies, that operation has been scaled down. A 24-hour "Dial-A-Consumer" program still operates out of Springfield. The caller receives a brief consumer tip and is given time to relay his complaint. A volunteer then calls the consumer back and tells him which agency to contact or personally helps him resolve the problem.

Before the local consumer agencies came into being, VCCC was handling hundreds of complaints a week. It utilized contacts established through its various other activities as well as through members and, in addition, developed good working relationships with local Better Business Bureaus and Chambers of Commerce.

The VCCC operates on a budget of less than $8,000. A $5 per family membership fee goes primarily to cover the publication and mailing costs of the monthly newsletter, which is circulated to members and State decisionmakers.

The membership has discussed hiring a minimal paid staff, but shies away from doing so when it sees other organizations spending 50 to 100 percent of their income on paid staff. In addition, the VCCC fears that 75 percent of the organization's time would be spent raising money to pay the staff.

Because of the unique climate around Washington, DC, the VCCC does benefit from volunteers exposed to large doses of public awareness. Retired government workers, lawyers, and experts in various fields lend their talents to the VCCC.

In the past the VCCC has not aggressively sought members, but recently a conclusion that membership was low compared to its potential resulted in plans for a direct mail campaign. Such campaigns are expensive, but the membership has decided to advertise itself to Virginia's 55,000 subscribers to *Consumer Reports*.

Decisions, such as the membership drive and priority issues, are made by the board of directors with guidance from the members at the annual meeting. The board is composed of chapter presidents, elected officers, and a few members elected at large.

The number one priority for 1977 is the State Corporation Commission, which regulates utilities, banking, and insurance. As the result of a constitutional amendment the Commission was expanded from three to five members, and the VCCC intends to get a consumer representative appointed to one of the additional positions.

Another priority issue is lobbying the legislature to require licensing of auto repair shops, since auto repair complaints are those most fre-

quently heard by both the VCCC and local consumer offices.

Michigan Public Interest Research Group (PIRGIM)

Every consumer organization, whether it operates on a high budget or a near zero budget, eventually has to deal with the problem of funding.

A unique solution to this problem has been developed by an expanding network of Public Interest Research Groups (PIRG's) on 145 college campuses across the Nation.

These Nader-inspired, nonpartisan political organizations exist in some form in 34 States, and their unique system of funding numbers them among the wealthiest of groups dealing with consumer issues.

One of the more active is PIRGIM, which encompasses five campuses in Michigan. It was created in 1972 when three University of Michigan students were inspired by *Action for a Change*, written by Ralph Nader and Donald Ross. At that time Nader's organizers were still visiting campuses to help establish PIRG's, but the Michigan students asked them to stay away in order to avoid any negative reaction from State officials to the Nader image.

Methods vary somewhat, but in all cases a majority of students on a campus must vote to support a PIRG before it can be established. PIRG membership fees are collected along with tuition fees. Students contribute $1.50 per semester to support PIRGIM, yielding an annual budget of $120,000. On some campuses students check an optional box if they wish to tack a $1.50 activity fee for PIRGIM on to their tuition fee. Other campuses use what is now termed a "refusable fee," meaning the $1.50 is automatically added to the tuition fee and the student must take the responsibility for saying no if he does not wish to be a member of PIRGIM.

PIRG's have come under some criticism, most publicly from former Nader Raider David Sanford, for the latter method of fee collection. He equates it with the negative option used by many book clubs whose members find themselves buying something they may not want because they didn't say no in time. But despite the criticism, PIRG's continue.

With this sort of stable funding, PIRGIM has been able to hire a professional, full-time staff of eight which works year round whether college is in session or out. The staff also provides continuity to PIRGIM efforts as students come and go. An equal number of paid students work in specific areas such as the media and project coordination.

Of PIRGIM's 40,000 members, active volunteers range from a dozen to several hundred depending on the issues being pursued.

PIRGIM's efforts are directed toward intensive research and enlightened lobbying. The organization seeks out students with the intelligence and verbal qualities needed to make good

lobbyists and then provides them with extensive training in lobbying methodology. Originally, members were trained to lobby in general, but now training focuses on lobbying for specific issues.

More than half the professional staff are registered lobbyists. Volunteer lobbyists are debriefed in writing after their visits to the legislators, and follow-up letters are always sent from the lobbyists to the legislators.

Under the guidance of the board of directors, which includes representatives from each of the five campuses, PIRGIM has recently concentrated on four areas: tenant protection, freedom of information, energy policy, and returnable bottles.

On the tenant issue, PIRGIM backed up tenant legislation which had gone nowhere because its liberal sponsor had insufficient support. A compromise was worked out with landlord interests resulting in legislation which protects against unlawful evictions, utility shutoffs by landlords, and invasion of privacy. In the process, PIRGIM put together a statewide coalition of tenants, the Michigan Tenants Rights Coalition, which now works with PIRGIM.

Freedom of information legislation drafted by the organization resulted in the most progressive open files law on the books in any State, according to PIRGIM.

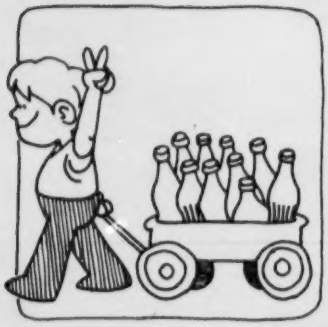
PIRGIM works with administrative bodies and the courts as well as the legislature. Two years of research and legal work resulted in the Michigan Public Service Commission becoming the first in the Nation to adopt a "lifeline" conservation rate structure for residential utility users, and a "peak load" rate structure for commercial and industrial users. (The "lifeline" approach identifies an amount of monthly energy usage sufficient for minimum essential household services, usually 200–500 killowatts, and charges the least rate for that usage. Under "peak load" pricing, rates vary according to the time of use to reflect the actual cost of providing service at that time.)

Not all of PIRGIM's efforts are directed at the lawmakers. It has published or supported a consumers' guide to doctors, grocery prices, auto maintenance costs, bank services, consumer complaint agencies, and bookstore prices.

One of PIRGIM's more prominent victories—one noticed around the Nation—illustrates the growth of power as individuals join together to form organizations and organizations join to form coalitions. It was just such a coalition which led PIRGIM to claim a share of the victory when Michigan became one of two States to adopt a "Bottle Bill" by referendum during the 1976 elections.

The success of the Michigan bottle bill is worth examining because it is an example of what people working together can do when their elected representatives don't act.

The bottle bill calls for "a minimum refundable deposit on all beer and soft drink bottles



and cans sold in Michigan; a mandatory refund of deposits by all retail dealers for the brands and sizes they sell, and a ban on removable metal ring 'pull-tabs' on cans."

The iron hand behind the success of the bottle referendum was Michigan United Conservation Clubs, a State affiliate of the National Wildlife Association, and a coalition in itself. The MUCC is composed of more than 50 diverse organizations such as the League of Women Voters, the State Troopers Association, and the Farm Bureau—all with a common interest in conservation.

MUCC claims 100,000 members and operates on an annual budget of $1 million.

The 40-year-old organization has been working in support of a bottle bill since it was first introduced into the Michigan legislature 10 years ago. Finally, in 1974 the board of directors decided if the legislature didn't move on the issue, MUCC would take it to the people.

That's just what happened. In February 1976, the board voted to begin a petition drive to get the issue on the ballot.

Petitions were sent out to subscribers of the MUCC magazine, the Farm Bureau magazine, and college campuses. It was at this point that PIRGIM entered the campaign and proceeded to take full responsibility for rallying the campuses in support of the bottle bill.

The petitions were actively circulated by about 15,000 volunteers, and within 7 weeks 400,000 signatures were collected.

There is a strong feeling about the environment in Michigan where many people enjoy outdoor recreation. So it's not too surprising that in a 1975 survey, 73 percent of the residents said they supported a bottle bill. However, 10 years of inaction by the legislature is evidence enough that there were some powerful influences working against the efforts of MUCC.

Taking the offensive, MUCC set up regular meetings of the coalition leaders in centrally located Lansing. To finance the campaign, MUCC donated $72,000. Another $40,000 was raised by direct mail solicitation, the sale of bumper stickers, and fund raising parties. The coalition received very little money from outside the State, although Environmental Action in Washington, DC, donated $600.

A sympathetic press gave the campaign good coverage and supported it editorially. The publicity generated support from a lot of people who had

never been involved in environmental issues before.

One and a half million pieces of campaign literature were distributed emphasizing the bottle bill's contribution toward resource conservation, energy savings, litter reduction, consumer savings and benefits, impact on jobs and the economy, and success elsewhere.

Approximately $15,000 went toward legal expenses.

By the time the opposition realized what it was up against it was too late. The coalition was able to identify the opposition as big business and industry with 84 percent of their financial support coming from out-of-state corporations.

In a final blitz during the last 2 weeks before the election, the coalition secured spots on radio and TV, sometimes aggressively employing the fairness doctrine to get free time.

The result—a new law established through referendum by 63.6 percent of the voters; a law requiring a 5-cent deposit on beer and soda bottles, a 10-cent deposit on unique bottles like Coke, and a 10-cent deposit on all cans. The law was even stiffer than the pioneer Oregon bottle bill.

Texas Consumer Association (TCA)

Like the Virginia and Michigan groups, the Texas Consumer Association also operates statewide. But there is one large obstacle to organizing consumers in Texas not faced in the other two States: the size of the State. Despite that obstacle, the Texas Consumer Association, founded in 1966 to fight high interest rates, has lobbied for and won some of the "strongest consumer laws in the country in a somewhat hostile environment."

That's the assessment of Jim Boyle, who has served as both president and executive director of the Association and is a member of the board of directors of Consumer Federation of America.

"The problems of travel are immense," said Boyle. He notes, for example, that there are some 500 miles between El Paso and the capital, Austin, where he lives. Lower-middle and middle-income consumers don't have travel expenses so bringing Texas consumers together can be "a real hassle."

The organization's primary function is lobbying. In fact, two legal corporations have been created: one, the Texas Consumer Association (TCA), to cover lobbying activities, and the other, the Texas Consumer Education fund, a tax-exempt corporation, to produce the group's newsletter. Membership in the TCA waxes and wanes, from a strong 1,000 when the State legislature is in session to about 500 when the legislature is out of session. The key to keeping members active, said Boyle, is to find new issues that generate interest once another issue is resolved.

For example, a local group in El Paso organized to get a Utilities Commission approved for the State. Once the commission was established, the group

folded. At the time this handbook was prepared Boyle was ready with an agenda of three priority goals the association planned to tackle in the new legislative session. The goals include: an auto repair disclosure act, covering warranties, bonding, and repair estimates; a statute to permit group auto insurance; and legislation on utilities, which would place regulation of natural gas with the new Utilities Commission instead of the Railroad Commission, prohibit the fuel adjustment clause in utility rates, and create a public advocate for utility consumers. The Association also plans to look at the State's Deceptive Trade Practices Act and the State credit code. "That's it for openers," said Boyle.

The Association is strictly volunteer. Dues are $7.50 a year. Its board of directors meets approximately every 2 months. The Association as a whole meets once a year. In addition to lobbying, the group files *amicus curiae* (friend of the court) briefs on cases with consumer interest and would like to get involved in consumer education. The group also receives occasional grants.

Utility Consumers Council of Missouri, Inc. (UCCM)

The Utility Consumers Council's predecessor was an organization that took aim at another specific issue—high food prices. Alberta Slavin, president of the Council, originally helped to form an organization in 1967 called Housewives Elect Lower Prices (HELP), which began by investigating food chains that charged higher prices in the inner city stores than in stores in outlying areas. That gave Ms. Slavin an "interest in essentials—what people need to survive." Angry about utility rates, she started the UCCM in 1970. Whereas HELP needed troops, the UCCM found it had a different need if it wanted to be successful in intervening before the Missouri Public Service Commission—the need for lawyers and economists.

The organization is all volunteer and pays no salaries, but it does manage to recruit the kind of expert help it needs for rate case intervention, paying expenses only. Some of the legal help comes from the George Washington University Law School clinical program.

The organization is legally incorporated and has a tax-exempt status with the Internal Revenue Service (IRS), although it did have a "legal hassle" at first because the IRS equated the group's regulatory appearances with lobbying.

Even though the group has expert help, the membership still has a large role in intervention in utility proceedings. Ms. Slavin frequently appears before the State Public Service Commission and has graduated from testifying about rate increases to more complicated utility issues such as rate of return on investment. "We learned as we went along," she said, and the UCC testimony has had somewhat of a cumulative effect, influencing first the regulators and now the politicians.

She thinks utilities have often geared people into thinking that the proceedings are so complicated consumers shouldn't get involved—"least of all a housewife." But she stressed the need for consumer organizations to do their homework before making appearances before regulatory bodies. Too often, consumer groups jump right into an issue without paying enough attention to learning the craft, she said. By presenting only an emotional appeal on the issue, the groups offer nothing effective. "There is a real need for steady, dedicated effort," she said. "We are very much respected around the State because we do our homework."

One of the group's biggest victories was the passage in 1976 of an initiative banning Construction Work in Progress (CWIP) from inclusion in a utility's rate base. A separate group, Citizens for Reformed Electric Rates, was formed to work on the initiative. Writing about the victory in Environmental Action magazine, Richard Grossman said: "In Missouri, a diverse group of people chose to use the initiative process to prohibit power plant construction costs from being included in the utility rate base (for both fossil and nuclear plants). The organizers decided to keep outsiders out. . . . In short, they controlled the issue, the strategy and the campaign tactics. They won."[15]

The structure of the Council itself is "very loose," with an advisory board that meets when necessary. Its 1,500 members are from all parts of Missouri but 90 percent of them are from the St. Louis area. It raises funds through $15 a year dues, occasional grants, and special events. The group holds a yearly "kilowatt hour," a potluck fund raiser in which the group eats in the dark to dramatize the utility issues. Office space is rented in an advertising agency, which handles the incoming calls when the consumer office is not staffed.

Summing up her involvement in a volunteer consumer group, Ms. Slavin said: "I got angry. To some extent you do what's right."

Local grassroots consumer organizations may develop when one or two people realize there is a void in their community and decide to fill it. Three such organizations, which have confined their activities to a relatively small geographical area, but which have nevertheless influenced their States, are the Northeastern Minnesota Consumers League in Duluth, MN, the Concerned Consumers League in Milwaukee, WI, and Consumers Against High Prices in West Palm Beach, FL.

The Duluth and Milwaukee groups both put down their roots in the early seventies, and both concentrate on handling grievances and education, but their backgrounds and methodology illustrate the diversity of means which can lead to similar ends.

Northeastern Minnesota Consumers League (NMCL)

The Minnesota League draws part of its strength from

a source left largely untapped by many organizations—senior citizens.

It was, in fact, organized in 1971 and chartered in 1973 by a man who decided when he retired he was going to see to it that people in Duluth had somewhere to go with their consumer problems.

As a labor staff man, Ray Allen found much of his time was devoted to helping union members resolve consumer problems. Through practical experience and government publications, Allen became knowledgeable in consumer affairs and conducted classes for the union members. When he retired and formed the Northeastern Minnesota Consumer League, he took a small nucleus of consumer advocates with him from his classes. Cooperation and support from the unions continued.

The League's only source of funding is membership dues, which range from $2 a year for students, the poor, and the elderly to $25 for unions. There are currently about 15 organizations paying the $25 rate.

Even so, with only 254 members, the League's income is not great. Most of it goes toward publishing a monthly newsletter and a brochure which explains the League's functions.

All of the League's work is handled by volunteers. The office is staffed full-time by three volunteers from the Retired Senior Volunteer Program.

While volunteers will handle speaking engagements as far away as 90 miles, the League usually does no actual lobbying because the capital, St. Paul, is about 160 miles away. Many of the members have neither the money nor the youthful energy required to make that kind of trip as often as necessary for an effective lobbying effort.

An exception was made in 1973 when representatives of the League teamed up with the head of the city's labor movement and presented a case for a government consumer office in Duluth.

The fact that the League had processed nearly $70,000 worth of complaints during its first year put a little bite into its argument. The result was the establishment of a Duluth consumer office under the direction of the State Department of Commerce. However, the government office handles only four types of complaints, so the League has stayed in the complaint resolution business trying to cover the gaps left by the government.

Another win for the League came when Duluth adopted the

Nation's first item-pricing ordinance. When computerized scanners began appearing in grocery stores around the city, there was nothing unique about the merchants wanting to stop pricing individual items. But the League developed a 21-point case in support of item pricing and presented it to the city council. Then, together with representatives of the senior citizens coalition, about 30 League members marched down to the city council, testified in support of an item-pricing ordinance, and told local merchants they'd picket their stores if the ordinance didn't go through. It went through.

In order to provide educational and informational material to the community, the League has devised an interesting method of surmounting its problem of limited financial resources. It has learned to work with offices of the State's congressmen to get materials free of charge. The Consumer Information Center in Pueblo, CO, for instance, limits individual orders of free publications to no more than 2 copies of 10 different titles, but Minnesota's senators receive bulk allotments. Because the League has a good working relationship with the senators' offices, it has received as many as 600 of the Consumer Information Center pamphlets at a time from the congressional allotment.

Minnesota's senators receive only 10,000 such publications for the entire State, but since the League is one of the few organizations which bothers to get the information in the hands of the public, it has no problems getting a good supply from congressional offices.

In addition, private industry, public utilities, and labor unions are tapped for their publications in the consumer interest.

Meetings of the membership are conducted regularly on the third Thursday of every month. Guest speakers provide background on various consumer issues at each meeting. Also, the members decide which problems deserve the League's attention, such as new parking meters that fail to show how much time is left and the need for night sessions of small claims court.

So far, the League's main problem has been to keep the volunteers active. "Everything is done with volunteers, and they don't come easy," Allen admits. "As long as they're not hurt, they don't volunteer," he adds, "but once they're hurt, they're great."

Concerned Consumers League (CCL)

A little to the south, in Milwaukee, also in 1971, the Concerned Consumers League went from inspiration to implementation. The project began with three young people who felt the need for consumer education and activism in the community.

The organizers began spreading word that they were willing to help resolve consumer complaints. Shortly thereafter a rather dramatic event led to widespread publicity for the fledgling group.

One of the early complaints to trickle into the League concerned a notorious used car dealer whose selling practices could have served as a model for shifty dealers everywhere. The League picketed the dealer; the State investigated; and sure enough, the State took away his license to operate.

Having generated interest, the League began publishing a monthly newsletter, *Caveat Vendor*, which along with informational articles carried accounts of successful complaint resolutions.

Today there are about 400 paying members with others teaming up with the League long enough to see their complaints through.

The active involvement of the consumer with a complaint has always been an important part of the League's mediation process, which is far more sophisticated than referring complaints to appropriate agencies.

The League holds grievance meetings twice a week (at night and on Saturdays to accommodate working people), and the consumer with a complaint is asked to bring all materials relating to his complaint to one of the meetings. A delegation of staff members and trained volunteers decides if the case has merit, and on their recommendation the membership present votes on whether to pursue the complaint. If the vote is affirmative, a delegation, including the consumer and representatives of the League, arranges to meet with the businessman who would ultimately have responsibility for handling the complaint. In other words, a meeting would be set up with a supervisor rather than with a salesman. About 90 percent of all complaints are resolved during such meetings. The other 10 percent are resolved through either picketing or small claims court.

At first the League relied almost exclusively on picketing, which was very effective. One look at the bad publicity at the front door made many merchants suddenly cooperative. Recently, though, the League has taken to recommending small claims court—and with excellent results. Of the first 20 members who went to court, not one lost.

The League looks to the court as a more useful tool than picketing because through it the consumer becomes acquainted with the legal process, and if the need again arises he knows he can take the case to court himself.

Complaint resolution, though, amounts to only half the CCL's work. The other half is devoted to education, and there is hardly a time when the

organization is not conducting a workshop someplace. It has a 90-second spot on a local radio station and previously had a 15-minute program on another.

The League has also been the subject of educational series on television and receives publicity in the newspapers for its programs and successes. CCL never passes up the opportunity to get on the air, if only to promote itself.

The CCL has a paid staff of three—an executive director paid through League funds, an associate director paid through the Concentrated Employment Training Act, and a secretary paid through the Work Incentive Program. Formerly there was also an administrative assistant, paid through the now defunct Program for Local Services. In addition, CCL has managed to get from the local university four to six student placements to assist on a regular basis.

Of the 400 members, about 15 are hardcore volunteers who receive extensive inservice training from the permanent staff.

Once trained, CCL volunteers assist in the workshops, which sometimes run for months on a twice-weekly basis, with different topics up for scrutiny each week. Sometimes the workshops are directed at specialized groups; for example, there was a workshop in 1976 which concentrated on small claims court and was attended by about 30 county judges from around the State.

CCL is also especially cognizant of the Latin community, which is sizeable in Milwaukee. Part of the regular newsletter is written in Spanish, and the League has been vociferous in demanding that the public utilities provide bilingual information on consumer rights and responsibilities.

The Spanish Center has reciprocated by providing the League with office space rent-free. It also pays the executive director and is then reimbursed by the League.

Although the League's work continues, financial problems have worked their way up to a level of primary concern. The League found itself approximately $40,000 in debt after its major source of funding—a grant from the Milwaukee Council on Urban Life—was lost. As a result, one paid staff position soon had to be eliminated. What's more, the Spanish Center relocated in a new building, at which time the League had to begin paying rent for its office space.

A $5 membership fee offsets the cost of the phone and newsletter. Grants have been relied on to support other League activities and the salaries of the paid staff. For this reason, the loss of the grant from the Milwaukee Council on Urban Life was a heavy blow. The grant was terminated because the Council ordinarily funds an organization for only a couple of years in a row. In this case it extended its grant to CCL for a third year when financial disaster threatened in 1975. But that was as far as the Council could go.

A few small government grants supplemented the Council's but were not enough to fully support the organization. As a result a full-scale fund drive was launched, and the board of directors voted to have the executive director work full time on grant applications and personal appeals until the financial crisis is resolved.

A direct mail appeal raised about $900, although the League admits its timing was poor for the mailing list it used. This was the Democratic party's list, and the League used it in the fall of 1976—the same time the party itself was appealing for contributions.

A personal appeal campaign was more successful, resulting in about $2,000 over a 2-month period.

Consumers Against High Prices (CAHP)

The name of this consumer organization, composed mainly of senior citizens in West Palm Beach, FL, pretty much sums up its basic aims but doesn't tell of the success the group has enjoyed in two target areas: food and utilities. Mrs. Ada Vladimer, president of CAHP, said the organization was formed in 1973 during the meat boycott. "We picked it up and started to grow by leaps and bounds." Later, the group successfully boycotted sugar when it reached all-time high prices. A similar attempt to organize a coffee boycott has been less successful, she said, because people wouldn't accept coffee substitutes. "You've got to take the

good with the bad," she conceded. When supermarkets threatened to stop marking prices because of the new electronic scanners, the group warned the supermarkets that eliminating item pricing would also result in a boycott. The supermarkets tried to pacify the group by telling them pencils would be supplied for consumers to mark their own prices, but Mrs. Vladimer told them: "We're paying you. This is your job, not ours." So far, no scanners have been installed and prices are still going on the packages.

CAHP activities have also focused on utilities. When the telephone company asked Florida's Public Service Commission (PSC) to eliminate unlimited local phone calls, the consumer group appeared before the PSC. "We fought them and we won." The group also claims a victory against a phone company proposal to charge for directory assistance calls. The group is fighting rate increases by both the telephone and electric utility companies and is working on

legislation to increase the membership on the PSC from three to five, and to include a consumer, a senior citizen, and a trade union leader at all times.

CAHP has about 500 members who pay yearly dues of $2. It, too, is an all-volunteer organization. Its executive committee meets every 2 weeks and its membership about once a month. The group does not have a newslette: because of the expense, but does print a circular to announce meetings. A consumer rally with Ralph Nader brought in $4,000 over and above expenses. The group also seeks contributions.

Most of its members are retirees. "We'd like to broaden out to get youth involved," said Mrs. Vladimer. CAHP is encouraging some of the young people who attended the rally to form consumer organizations in their own localities. Said Mrs. Vladimer: "I have a lot of satisfaction every time we win a victory."

YOU'VE GOT THE GROUP: NOW WHAT?

These selected case studies show that making a decision to organize a consumer group is only the first in a series of choices you will have to make if your group is to succeed. Other questions you will have to answer include these:

Should we open an office?

Should we handle complaints or stick to advocating for consumers, either in the courts, in regulatory bodies, or in the legislature? The Utility Consumers Council of Missouri, for instance, did handle complaints until the Public Service Commission added complaint-handling to its own responsibilities.

What kind of budget should we expect to operate with and how do we raise funds? If there are dues, what should they be?

Is the group going to be all volunteer or should we hire a paid staff?

How structured should the organization be and how often should we meet? The Consumers Against High Prices in West Palm Beach, FL, meets monthly; the Texas Consumer Association, once a year.

Should we publish a newsletter?

Should we legally incorporate?

The answers to most of these questions depend on *you*. You know the political climate in your locality; you know how much time and effort you and others can devote to a consumer organization. This handbook can give you some general guidelines on legal incorporation, and we can also direct you to resources and organizations

that can help you answer other questions.

Incorporation

Your consumer organization will probably find it advantageous to formalize your legal structure, most likely by incorporating. The act of incorporating often gives a group an important psychological benefit, a sense of continuity. The formalized, recurring requirements pertaining to corporate status provide a real demonstration of the ongoing nature of the organization.

Incorporating also creates a layer of insulation from liability for the organization's "principles." You quite reasonably are reluctant to risk your personal financial stability for belonging to an organization. Incorporating commits the organization to more stringent record-keeping and tighter organization.

Usually consumer membership organizations apply, when they incorporate, to become either what is called by the Internal Revenue Service an S. 501-C-3 or C-4 corporation. Section 501 is the section within the Internal Revenue Code under which nonprofit organizations may apply to incorporate. C-3 and C-4 are two of the 19 categories under Section 501. Nonprofit organizations whose primary interests are educational, charitable, religious, or scientific may be accorded corporate status by the Internal Revenue Service under the privileged conditions of these subsections of the tax laws. Incorporation under either relieves an organization of the obligation to pay income tax. Additionally, preferential postage rates are generally available.

Groups incorporated under S. 501-C-3 are more restricted by their corporate status in how much legislative advocacy they can do than are those incorporated under S. 501-C-4. Though recent amendments have loosened restrictions on the lobbying activities of C-3 organizations, they are still limited to spending no more than 20 percent of their annual proposed expenditures on lobbying. (The percentage is less for incomes over $500,000 a year.) Donations and grants to C-3 organizations are tax deductible by the donor.

Important considerations, then, in determining whether to seek C-3 instead of C-4 status are: (1) how much of your total expenditure do you want to be free to commit to lobbying, and (2) how big do you expect tax deductible donations and grants from tax-exempt foundations to be in your income. An organization incorporated under C-4 will not endanger its tax-exempt status by legislative advocacy so long as its evidenced social welfare goals require legislation and the corporation engages in lobbying to achieve such goals. Unlike donations to C-3 corporations, however, donations to C-4 corporations are not tax deductible by the donor.

The Internal Revenue Service has prepared a comprehensive booklet, *How to Apply for Recognition of Exemption for an Organization*, Publication 557,

detailing the forms and procedures necessary for making application for recognition of nonprofit incorporation status. This booklet can be purchased for 40 cents from the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402.

Grants

If you decide to seek grants, there is an excellent publication that can alert you to all sorts of funding possibilities within government and from private foundations. *The Grantsmanship Center News* is published six times a year by the Grantsmanship Center, 1015 W. Olympic Blvd., Los Angeles, CA 90015. Subscriptions are $15 a year.

If consumer education is a goal for your group, you may want to investigate possibilities for obtaining funds from the Consumers' Education Program administered by the U.S. Office of Education (USOE), a part of the Department of Health, Education, and Welfare. The Congress passed legislation requiring establishment of this program back in 1972 but did not appropriate funds to support it until two years later. Grants have been awarded annually since 1976. The appropriation is very small as far as Federal programs go—only a little over $3 million for each of the first two years. That amount was recently raised to $4 million for the fiscal year 1978.

Community consumer groups are eligible to apply for grants along with higher education institutions, State and local education agencies, and other public and private nonprofit organizations. To find out more about the program contact: Director, Office of Consumers' Education, U.S. Office of Education, Washington, DC 20202. If you have never applied for a Federal grant before, you might also ask for their free publication, *If You Are Writing Your First Proposal.*

Affiliation With Other Groups

Although your first priority in a local consumer group will be to respond to local needs and issues, you should also find out how the national consumer groups can lend a hand in your organizing or educational efforts. You also might find it advantageous at times to be affiliated with a larger network of local consumer organizations. Here is a rundown of how three national consumer organizations work and what they have to offer to local consumer groups.

Consumer Federation of America (CFA) was founded in 1967. It is a federation of 215 national, State, and local nonprofit organizations. Its members include Consumers Union, cooperatives and credit union leagues, State and local consumer organizations, and national labor unions. Associate membership is open to nonprofit institutional organizations, including State and local government agencies and academic groups. Consumer groups who want to affiliate with CFA must fulfill the following requirements: file an application

accompanied by dues; submit a copy of the group's constitution and bylaws or a statement of purpose, policies, and program; be approved for membership by a majority of the CFA Board of Directors. Dues are based on the number of members an organization has: $50 is the minimum, $365 the maximum amount of dues. Membership entitles the group to receive CFA publications and to vote in the annual meeting. The number of votes each organization is entitled to varies according to its size up to a maximum of 10 votes.

One component of CFA, the State and Local Organizing Project, was developed specifically to assist the development of State and local consumer organizations. The project has available four case studies, written in 1975, which are still being requested by new groups. They are: *How to Prepare a Candidate Survey, How to Prepare a Lifeline Proposal, How to Activate Small Claims Court,* and *How to Form a Consumer Complaint Group.* Except for the first case study, all the reports were prepared by State or local consumer groups, based on their own experiences. The price for the case studies varies from 25 cents to $1.

The project also publishes a monthly newsletter, *The Action Faction,* focusing on the activities of local groups. In 1976, the project entered into a cooperative agreement with CFA's educational arm, the Paul Douglas Research Center, to administer a $110,000 grant from USOE's Office of Consumers' Education. The grant was to establish a comprehensive program for the education and training of community-based leaders and organizations. The project consisted of three parts. The first task was to expand production and distribution of *The Action Faction.* The second: to produce special indepth publications on consumer issues for community leaders. Finally, the project conducted a 2-day training conference for consumer leaders in June 1977.

With or without the Federal grant, the State and Local Organizing Project is an ongoing part of CFA. As this handbook was written, a subscription to *The Action Faction* was free, covered by grant monies. Consumer groups might also be interested in obtaining a copy of the CFA *Directory of State and Local Consumer Groups,* which costs $2. For more information about CFA, its publications, or the State and Local Organizing Project, contact: Consumer Federation of America, 1012 14th St., NW., Washington, DC 20005.

National Consumers Congress (NCC) entered the national scene as a result of the 1973 meat boycott. It considers itself a "grassroots, mass membership organization" but in late 1975 opened formal affiliations to consumer groups. Approximately 25 groups have affiliated with NCC. Affiliation dues are $35 a year. Individual memberships, which number about 2,000, are $10 a year. Both types of memberships include a subscription to the NCC newsletter, *Common Sense.*

NCC directs its research to food, agriculture, and energy. A key difference between NCC and CFA is the way the organizations are structured. CFA's board is selected at large from its membership; NCC's board is drawn on a regional basis, with the belief that this will help organize strong regional constituencies. NCC also has an education affiliate, the National Consumer Resource Center.

At publication time and because of financial restrictions, NCC could not promise to give technical assistance to any local groups. But staff members were encouraging groups to continue to affiliate with NCC, to give groups a sense of "belonging to a national organization." For more information contact: National Consumers Congress, Room 209, 1346 Connecticut Ave., NW., Washington, DC 20036.

The National Consumers League (NCL) is known as the "pioneer consumer organization," having been established in 1899. Its original goal was to fight for economic justice, including minimum wage laws, occupational safety, and abolition of sweatshops and child labor. Now, according to its literature, it concentrates on issues of consumer representation, product safety, food, credit, and insurance. Part of its advocacy work includes discussions and debates with labor and business on topics such as setting of standards, regulatory reform, minimum wage, care-labeling of clothing, and communications policy. NCL is based on individual memberships. Dues are $10 a year and include a subscription to the bimonthly newsletter, the *Bulletin*.

Publications of the League which would be useful to those starting consumer groups include: *Model of Consumer Action; Model of Consumer Action: Health Services;* and *Model of Consumer Action: Food Marketing System.* They are 25 cents each. The food and health guides outline ways in which consumers could finance, structure, and operate programs in those two topic areas to help consumers make rational choices in the marketplace, participate in policymaking decisions, and settle grievances.

The NCL was also the recipient of a 1976 Federal consumer education grant to train local consumer leaders and members of community service organizations in consumer rights in warranties and credit. The trained leaders will, in turn, train other consumers in their rights.

For more information contact: National Consumers League, 1785 Massachusetts Ave., NW., Washington, DC 20036.

These organizations are all clearly identified as national consumer groups. But as you build your own consumer organization, you will want to look at other groups—some connected to the consumer movement, some more broadly defined as "public interest" groups, some which simply just latched on to the basic elements for building any successful organization—to see whether any of their resources and/or struc-

tures can be adopted to your own. Here are some suggestions.

ADDITIONAL RESOURCES

The Washington Center for the Study of Services, with the help of grants from a number of sources, rates services in the Washington metropolitan area and publishes a quarterly magazine to report those ratings. The idea is to have a localized *Consumer Reports* type of magazine, concentrating not on products but on services (which now account for more than a third of every consumer dollar spent). If your group is interested in a similar venture—and the Center believes it essential that you already have a group in place to publish a service magazine—you should get a copy of their report, *Guide for Starting a Local Service Evaluation Magazine*, available from: Program Development, Office of Consumer Affairs, Department of Health, Education, and Welfare, Room 602 Reporters Building, Washington, DC 20201.

Before launching the magazine, the Center surveyed consumers and determined that consumers are, indeed, interested in service information. According to the *Guide*, a magazine is only one way of providing the information. Other possibilities include publishing information in a newspaper, having consumer groups give "seals of approval" to evaluated establishments, or setting up a telephone information system for consumers seeking service information. "Each of the possible approaches has advantages and disadvantages with regard to financial viability, credibility, convenience and reliability. But all are similar in many respects. This guide focuses on one model . . . but much that is said would be equally applicable to other models," the *Guide* observes.[16]

As noted earlier, the labor movement has served as the forerunner for some of the

methods used to settle consumer disputes. At least one labor union, the United Auto Workers, has also produced a publication for its members that is equally applicable to any group interested in organizing consumers. *Consumer's Manual for Setting up an Effective Labor Union/CAP Council Consumer Committee* is published by the Consumer Affairs Department of the UAW. The introduction explains how a consumer affairs committee of a local union can benefit union members and what services the committee can provide. An important lesson to be learned here is the advantage in getting persons who are already organized—in this case, local unions—involved in consumer issues. The *Manual* gives useful advice for handling complaints through the committee, taking political action, getting publicity, cooperating with other community groups, and educating union members on consumer issues ("a permanent way of helping"). One idea is to hold buying workshops so members who may be making similar purchases—appliances, cars, insurance, homes—can evaluate and compare products and services. "You might be able to use the lessons you learned and the information you get to put together a shopping guide about that project." The *Manual* is available for $1 from: UAW Consumer Affairs Department, 8000 E. Jefferson Ave., Detroit, MI 48214.

Another well-organized movement which has resources adaptable to consumer groups is the volunteer movement. The National Center for Voluntary Action is a private, nonprofit organization founded in 1970 to "stimulate new responses to America's most pressing needs through the greater recognition, utilization and coordination of volunteers." Volunteers, of course, are the lifeblood of most consumer groups. But volunteers are also active in such fields as mental health, corrections, the handicapped, transportation, and the environment. "Volunteers are volunteers," according to the NCVA spokesperson. And volunteer groups (and any paid staff that administer the group's programs) face common problems which include finding funds, generating publicity, and developing programs. NCVA publications and services address those basic needs. A free pamphlet, *NCVA Technical Services*, will help you evaluate how the volunteer model and accompanying materials can be put to best use by your grassroots consumer organization. It is available from: National Center for Voluntary Action, Technical Services Division, 1214 16th St., NW., Washington, DC 20036.

A resource not to be overlooked by the consumer organizer in 865 areas of the Nation is the Community Action Agency established by the Federal Community Services Administration to attack poverty by whatever means are most appropriate locally.

Community action agencies exist in every State, although not all areas of the State are

served. Some, especially those in larger metropolitan areas, may be part of the local government, whereas more rural agencies may be nonprofit corporations.

All submit operating budgets to one of 10 regional offices, and allocations are then made by the Federal Administration. Since no funds for expansion are currently available, no new agencies are being formed.

While many community action agencies operate on fairly substantial budgets, they do not have a lot of money available to directly assist community groups. If they choose, some agencies may allocate funds for consumer programs under local initiative money.

However, community action agencies can offer considerable assistance other than financial. They can assist in planning; identify sources of funding, possibly making connections with persons important in securing funding; attempt to get funding for the organization themselves; link the organization into some of their existing programs; provide space in one of their facilities or assist in finding office space; and offer training.

Not all agencies can offer all of these services, but most are experienced in seeking funds and have knowledge of existing grants.

The Community Services Administration dropped the emphasis on training a couple of years ago; however, many local agencies have continued to offer the service. Some have regular trainers on their staffs, who not only provide experience in community organizing but also offer training for specific skills. These agencies will call in outside consultants if the trainers are not familiar with the particular kind of training a group seeks. There is a charge for training, but it is applied on a sliding scale according to a group's ability to pay.

Most local agencies do not use community action as part of their name—for example, Action for Boston Community Development or Economic Action Atlanta—so finding a local agency in the phone book may be difficult. The best route is probably to contact the county board of supervisors to find if your community has such a program, or contact the governor's office to find where within the State such agencies exist.

Information on local programs can also be obtained by writing the Community Services Administration, 1200 19th St., NW., Washington, DC 20505, Attention: Public Affairs Office. Name the county, or counties, you are interested in when writing.

Another resource which can be helpful to consumer organizations in certain areas of the Nation is the Public Interest Law Center. There were 92 centers in the United States in 1976. Residents of the northeast, particularly the Washington, DC, and New York areas, were most likely to have access to them at that time. The northeast claimed 52 firms, the south

6, the midwest 7, and the west 21.

Some public interest law groups concentrate on disadvantaged minorities programs while others specialize in general population issues. However, the range of issues runs through consumer and environmental protection, land and energy use, tax reform, occupational health and safety, health care, media access, corporate responsibility, education reform, employment benefits, and manpower training.

In dealing with these issues the centers employ administrative agency actions, investigative research, arbitration, negotiation, public education, litigation, and lobbying.

Financing such centers is a problem and, according to the Council for Public Interest Law, firms which tackle State and local problems feel the financial pinch most severely. Each firm must depend on contributions and grants to keep going, and budgets and capabilities vary greatly among firms.

Large law firms and local bar associations can provide the address of public interest law centers within their areas. In addition, the Council on Public Interest Law has recently published a report entitled *Balancing the Scales of Justice: Financing Public Interest Law in America.* The report details the history, record, and financing of public interest law, and appendixes include a list of public interest centers and Federal statutes authorizing the award of attorney's fees. It is available for $3.50 from the Council for Public Interest Law, Suite 420, 1250 Connecticut Ave., NW. Washington, DC 20036.

Sometimes groups which effectively tackle consumer issues prefer to be identified more broadly as citizens or community organizations. A monthly newsletter, *Just Economics,* keeps its readers informed of food, health, and energy projects being undertaken by community groups across the country. The newsletter is all that remains of what was another national organization, the Movement for Economic Justice. The decision to abandon the national organization but to continue publication of the newsletter was based on several factors. A letter addressed "Dear Friends" in the June 1976 issue explains the decision of the Movement staff: "We've rejected the idea of creating a national organization from the top down. There are already too many 'paper' organizations without any grassroots base. . . . But we are a little disappointed that we aren't being put out of business by a national organization created by the network of local groups we've worked with. Perhaps we have not been forceful enough in trying to create it. Perhaps our operation has been a barrier to it and our closing will facilitate it. At the very least, we hope our decision will encourage some serious discussion of where economic justice organizing is going."[17] The address is: *Just Economics,* 1735 T St., NW., Washington, DC 20009. Sub-

scription rates vary according to income.

If your consumer group concentrates on one topic area, such as energy or food, you could also check out the resources of national public interest organizations that deal in those areas. *The Power Line*, a monthly newsletter published by the Environmental Action Foundation (EAF), reports on utility rate structure reform, rate increases, nuclear power, public power and citizen organizing efforts. Subscriptions are $15 a year (regular) and $7.50 a year for citizen groups. The Environmental Action Foundation also has a computerized list of "utility activists," covering all 50 States and the District of Columbia. Individual State utility activist lists are available from EAF for $1.50 per list. For more information contact: Utility Project, Environmental Action Foundation, 724 Dupont Circle Building, Washington, DC 20036.

The Center for Science in the Public Interest (CSPI), also based in Washington, DC, has both an energy project and a food project. The energy project publishes a monthly newsletter, *People and Energy*, which reports on utilities, solar energy, nuclear power, Federal regulatory action, citizen group action and resources. Subscriptions are $7.50 a year for individuals. The project also has a list of citizen groups around the country who are working on "lifeline" utility rates.

The CSPI food project puts out a monthly newsletter, *Nutrition Action*, which focuses on corporate food activities, Federal actions, and local community food activists. Subscriptions are $10 a year. For more information about either CSPI project contact: Center for Science in the Public Interest, 1757 S St., NW., Washington, DC 20009.

Within the Nader framework are a number of special interest organizations which developed from the original Center for Study of Responsive Law. Most concentrate on researching and advocating issues of national concern, such as nuclear power and corporate responsibility.

However, Nader has repeatedly emphasized the importance of consumers forming grassroots organizations to confront problems of this kind at the local level. To assist in this effort, the National Public Interest Research Group (parent of student PIRG's across the country) has published *A Public Citizen's Action Manual*, which offers suggestions for organizing citizen groups, lobbying, and possible projects.

In addition, a series of project "cookbooks" is available, which explains—as specifically as recipe books—how to organize around a particular issue.

Both the *Action Manual* and a list of the "cookbooks" are available free from the National Public Interest Research Group, 1832 M St., NW., Washington, DC 20036.

As your group grows you will probably come across the names of other national organizations you will want to contact

for ideas, newsletters, or just plain inspiration. Establishing national ties, though, will not be worth much if your group is not strong locally. Touching base with only a few of the above contacts should serve as an effective means for eventually making contact with the others.

ADVICE FROM EIGHT SEASONED LEADERS

Eight seasoned consumer leaders were polled for answers to these questions:[1"]

Are there ways to help assure your organization of success?

What pitfalls should the new consumer organizer avoid?

The consumer leaders say you should:

(1) Build a dues-paying membership. Enable your members to subcribe to a cause. "Your program should be worth people's making an investment."

(2) Publish a newsletter (or some type of regular communication).

(3) Learn how others have succeeded. If this means finding an organization that is doing what your group wants to do and paying them to teach you, it's worth it.

(4) Involve new members in projects and planning sessions right after they've joined, so that they aren't ignored when their enthusiasm is highest.

(5) Give credit to people who do the work. "Share the goodies. The president should never miss the opportunity to take someone along to the TV station. It gets tiresome picketing and never getting any credit."

(6) Disperse responsibility. "It is important that the organization continue to function ever if a crucial person leaves the organization. You need multi-headed leadership."

(7) Regard the business affairs of the organization in a business-like manner. "Because you are volunteer and non-profit doesn't mean you can ignore the nitty gritty of operating efficiently. Budget a year at a time, including your projected income and its resources. Review and adjust your projected income and expenses quarterly."

(8) Review your priorities periodically, with maximum membership participation.

On the other hand, the leaders had these caveats for new consumer groups. They warned:

(1) Don't just service complaints. "It's depressing. There's nothing else for the members to do. It doesn't build a group feeling. Only a few members can share in a success. The public gets to thinking of you as a place to complain and that's all," said one leader. Another cautioned, "You need some broad issues that have meaning to lots

of different people, members and non-members."

(2) Don't insist on doing something yourself because you think you can do it better than anybody else. "You've got to delegate—challenge—grow new people."

(3) Don't speak out on issues before you are completely prepared. "Just once lose your credibility and you have nothing," said one person.

(4) Don't commit the organization to something the members are not committed to. "Keep activities of the group relevant to the members. Local groups respond to problems on the local level."

(5) Don't let your energies be deflected into activities that are not building the movement. "Legislative action won't build membership," was one observation. Another: "You can't build an organization if you ignore pocketbook issues that speak to your members and get wrapped up in some arcane regulatory matter in Washington in which only you can participate."

(6) Don't get most of your funding from a single source. "When we were first getting started, we got a grant. We lived on that for 11 months and forgot about building membership. It almost did us in," one leader recalled. Another said, "When too much of your income comes from one member group or one source, you get to counting on it too much. You get dependent. In making programs you are too responsive to the priorities of that member."

(7) Don't underestimate the importance of a good board of directors. Said one leader, "Board members don't need to be prominent in the community. They need to care about the group's program, have the respect of the members, and be willing to give time and make hard decisions to help it succeed."

(8) Don't be frightened away from ever considering hiring paid staff. "Sometimes there comes a point when it is more wasteful not to, so don't set your mind against it from the start," a leader cautioned from experience.

CHAPTER THREE

Professional Training and Consumer Representation Opportunities

Consumer groups have tight agendas: some members may be working on the monthly newsletter, others testifying at the State Capitol, and still others picketing an unscrupulous merchant. Can more activities be squeezed in? This chapter describes two additional kinds of activities your group might find worthwhile to pursue: participation in consumer advocacy training programs and participation as "consumer representatives" in government and industry policymaking forums.

TRAINING

Most consumer advocates receive training on the job. But you may find it advantageous to seize a week or a long weekend to attend a group training session or seminar offered by a university, another consumer organization, the cooperatives, or a community group. Here is a brief description of training possibilities.

Universities

The University of Wisconsin-Extension Center for Consumer Affairs designs programs specifically for consumer group leaders and consumer representatives in State and local government. Participants attend from all parts of the country. Recurring programs include a 4-day training program for consumer protection professionals and a summer 3-day seminar for directors of consumer agencies and consumer leaders at the State and local level. Other offerings include the art of advocacy, newsletter production, uses of the media, and backgrounding sessions on substantive areas of consumer concern such as food stamps, nutrition and food labeling, and health maintenance organizations. For more information contact: Center for Consumer Affairs, University of Wisconsin-Extension, 929 N. 6th Street, Milwaukee, WI 53203.

Other innovative training for consumer advocates and

consumer education teachers include weekend courses offered by the University of Alabama, classes for low-income consumers given at Wayne State University in Detroit, MI, and a workshop for those interested in consumer advocacy in government at Syracuse University.

To find out more about university workshop programs in general, and also those universities which have degree programs in the consumer field, consult *Educational and Career Opportunities in the Consumer Field*, by Dr. John Burton, assistant professor of consumer studies at the University of Utah. The publication is available for $1.75 from: Department of Family and Consumer Studies, University of Utah, Salt Lake City, UT 84412.

Before you leave home to get the training you want, however, look into your nearest university or community college to see what can be developed to meet your individual and your group's training needs. To meet the community's higher educational needs is why they are there. Business and agriculture and the service industries make their training needs known and expect to have them met. Consumer groups have equal claim upon public education resources.

Generally, universities now face declining full-time student enrollments and have a recently renewed interest in the adult student. If you are not near a university, ask your county extension office to request the land-grant college in your State to try to provide the training you need in your community through its statewide extension service.

Consumer Groups

Your decision to affiliate with a national consumer organization will also bring you in contact with any training programs the organization is offering. The Consumer Federation of America, for instance, holds workshops on a variety of substantive and skill-training topics at meetings accompanying its annual Consumer Assembly. Special funds are usually set aside to enable members of consumer groups to attend the Assembly, held in Washington in late January or early February of each year.

The American Council on Consumer Interests (ACCI), an organization of consumer educators, hosts an annual meeting and publishes two newsletters, *The Journal of Consumer Affairs* and the *Consumer Education Forum* for teachers. For more information contact: American Council on Consumer Interests, 162 Stanley Hall, University of Missouri, Columbia, MO 65201.

The Conference of Consumer Organizations (COCO), which includes members from government, industry, and community groups, holds an annual consumer symposium in Tucson, AZ, and training programs on specific topic areas in various parts of the country throughout the year. For more information contact: Conference of Consumer Organizations, Box 4277, Tucson, AZ 85717.

The American Council on Consumer Interests and the Conference of Consumer Organizations have initiated a joint internship program for consumer professionals. Applicants need a faculty sponsor and must be candidates for a graduate degree. If accepted for the program they receive a 2-day intensive orientation and then work 15 weeks at $100 a week in the agency or business underwriting the $3,000 cost of the internship. A few Federal agencies have been among the early underwriters.

More training programs will be coming into being among consumer groups. Several of the first grants made by the Office of Consumers' Education in September 1976 went to consumer groups to use to develop training programs.

Cooperatives

Farmers have for years been joining together as producers, and also sometimes as consumers (of fuel oil, for example) to improve their bargaining position in the marketplace. Their co-ops often affiliate together on a State basis. Where farming is a major industry, as in Iowa, Missouri, Wisconsin, Minnesota, New York, and Texas, the State leagues and/or the large co-ops carry on training programs for members, leaders, and paid staff in order to develop effective leadership and good management. Often these are held at the land-grant college in the State, or benefit from having university faculty as workshop leaders.

Consumer cooperatives, which are springing up rapidly now, and probably consumer organizations generally, are welcomed into these development training programs. For more information on where and when these opportunities might be available near you, contact American Institute of Cooperatives, 1129 20th Street, NW., Washington, DC 20036, or your State league.

Large consumer co-ops such as the Consumers Cooperative of Berkeley, CA, and some in the midwest hold workshops each summer along with their family summer camp, combining training with recreation and relaxation. For more information contact Robert Neptune, General Manager, Associated Cooperatives, 4805 Central Ave., Richmond, CA 94804.

Industry

The J. C. Penney Co. offers a once-a-year training program at its New York City headquarters for a select group of consumers, educators, and industry persons to be updated on consumer issues and to exchange ideas. For more information contact: David Schoenfeld, J. C. Penney Co., Inc., 1301 Avenue of the Americas, New York, NY 10010.

The Society of Consumer Affairs Professionals in Business, numbering more than 700 members, holds a National Consumer Affairs Exchange in connection with their annual Sep-

tember meeting. It includes workshops, case studies, industry seminars, and exhibits. For more information contact: Society of Consumer Affairs Professionals, 1430 K St., NW., #901, Washington, DC 20005.

Other

Some training programs are not identified specifically for "consumer" groups. One type of training which has elements useful to consumer organizers is that offered by the Midwest Academy in Chicago, and inspired by the late community organizer Saul Alinsky. Similar training centers can also be found in other parts of the country. The Academy's training sessions focus on organizing, social change, fund raising, and research. For more information contact: Midwest Academy, 600 W. Fullerton Ave., Chicago, IL 60614.

Another organization that does training for community group leaders interested in nutrition programs and food marketing generally is the Community Nutrition Institute, 1910 K St., NW., Washington, DC 20006.

Most of the training listed above requires a fee but in several instances organizations provide scholarships to consumer group members.

PUBLIC PARTICIPATION/ CONSUMER REPRESENTATION

The increase in training possibilities for consumer leaders may be directly linked to the growing evidence that consumer representation is now a profession. As you sharpen your skills on the job, and as you take part in the additional training offered in workshops and seminars, you also become more capable of expressing a consumer viewpoint to policymaking boards and councils within government and the private sector.

In some cases, consumers have demanded—and earned—a voice in government policymaking. Federal law now requires that consumers have a role in health planning at both the local and State level; consumers can now be compensated with public funds for preparing and giving testimony in proceedings of the Federal Trade Commission; consumer representatives are nominated and voted on by consumer leaders to serve as paid consumer representatives on subcommittees of Food and Drug Administration (FDA) panels, parallel with industry representatives. In 1976 the FDA invited several consumer groups to participate, on a pilot basis, in FDA's annual

priority-setting process. Sixteen organizations ranked FDA programs in mail "ballots." Their rankings were compiled and made known to the agency's top management. Other circumstances may be less formalized, with government or industry calling in qualified consumer representatives for advice before making important decisions. Again, it will be up to members of your group to decide how much effort to devote to these public participation processes. Some of the concern for adding a consumer voice to policymaking is a genuine response to consumer demands; other schemes to institutionalize the "consumer voice" in regulatory and administrative areas are merely window dressing—good public relations. Because the possibilities exist, they should be explored and, if necessary, made more realistic. Here is a list of possibilities.

Industry

Many companies have institutionalized consumer representation; by one count, more than 300 corporations have consumer affairs departments. But not all industries rely just on their in-house consumer affairs employees to learn consumer viewpoints. For example, Stop and Shop Companies, Inc., have set up Consumer Boards in six States where members of the chain are located. Board members serve one-year terms and attend meetings four or five times a year to advise the local stores on such items as unit pricing, house brands, or quality of service.

For more information contact: Stop and Shop Companies, Inc., Consumer Affairs Department, P.O. Box 369, Boston, MA 02101.

Toyota Motor Sales, USA, Inc., decided to find out what consumers wanted in the way of product information before going to press with their 1976 Owners Manual and new product sales literature. In both cases, a panel of consumers was assembled to advise Toyota officials and, in the case of the Owners Manual, to give suggestions to the technical writer who would be putting together the final publication. Explained Toyota's national consumer relations manager: "By getting this information early and using it in our consumer literature, we could head off future problems and misunderstanding."[19] For more information contact: Toyota Motor Sales, USA, Inc., 2055 W. 190th St., Torrance, CA 90509.

The Society of Consumer Affairs Professionals (see p. 47) has recently established a "consumer group liaison committee" but at publication time the group was just getting formally organized.

Local Government

Mayor's study committees, citizen review boards, advisory boards to the building inspection department or the health department—these and many more like them offer opportunities to take your consumer

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group's problems to local government.

Ask the mayor's office and the county commissioner's office for a list of citizen advisory boards and the upcoming appointments to them. If your members have a consumer problem no agency seems authorized to meet, ask that a city or county committee be appointed to study and make recommendations. Then request that you or some of your group volunteers be on it.

One small group of women in Greenburgh, NY, were concerned about the junk food sold through vending machines at their children's school. They went to the school board whose members, though attentive to their presentation, had major matters like budgets and declining enrollments on their agenda. The board took action, however. It designated the women as a committee of the board to work on the junk food vending problem. Now officially representing the board, the women sought out the company behind the vending machines, took the issue to the public and—happy ending—got more nutritious food dispensed to their children.

The enactment of the National Health Planning and Resources Development Act of 1974 firmly established a decision-making role for consumers in the delivery of health care.

The Nation has been divided into local health service areas, each with a population of 500,000 to 3 million. Within each area a Health Systems Agency (HSA) must be established, with a governing body consisting of a simple majority of consumers of health services (up to a maximum of 60 percent). HSA's may also establish sub-area committees (also with a consumer majority) to advise them.

A Statewide Health Coordinating Council oversees the operations of all HSA's which fall wholly or partly within a State's boundaries. The governor appoints at least 16 HSA representatives to the council; at least half of them must be consumers.

At the highest level, the Secretary of Health, Education, and Welfare appoints a 15-member National Council on Health Planning and Development, of which at least five members must be consumers.

As the structure indicates, the recent law provides consumers a role all the way from the county up to the national level. By becoming involved you have the opportunity to eliminate waste in health care as well as improve the delivery of primary care.

Trimming the Fat Off Health Care Costs: A Consumer's Guide to Taking Over Health Planning explains in detail the role consumers and consumer groups should be assuming as the new HSA's take shape. To make certain that dominance over health planning is shifted from providers to consumers of health care, the handbook details what to do while your HSA is still conditionally approved and before it becomes fully approved.

The handbook is available for $2 from Health Research Group, 2000 P St., NW., Washington, DC 20036.

State Government

How your hair stylist is trained, how much outdoor space your child's day-care center must have, what size cartons milk may be sold in, who can operate on bunions, whether drug prices can be posted—these merely suggest the whole range of policy decisions being made and put into effect in State government. Who makes these decisions? How can you participate? How can you get the consumer view into the decision process instead of reacting to a regulation after it is established?

Beginning with the legal and medical professions, State government, through Licensing Boards, has historically conferred the license to practice. Over time, more and more occupational groups came to the State legislature, seeking licensing—and they commonly got it—until today many States license barbers, hearing aid dealers, termite inspectors, real estate salespersons, and even watchmakers.

The custom has been that once licensed, seven or so members of the licensed group are appointed to be the licensing board with power to admit to practice and to expel, as well as to lay down rules about how practice will be conducted.

Public reactions against industry being regulated solely by its own members in the name of government grew, and in 1958, in response to this public criticism, California legislators added one public member to each licensing board. Many other States followed suit.

In California, at least, the change was insignificant, and now the legislature has put public members in the majority on all licensing boards except those of the healing arts and accounting.

Licensing board reform is an agenda item in nearly every State currently. It presents an opportunity and a challenge to consumer groups to participate. How your members will fare in the marketplace, what their rights are, what the vendor's obligation to them is—these important conditions of the marketplace may be decided by the boards who license the vendors. Consumer participation is now possible. It remains for consumer groups to make it effective.

Like licensing boards, a Marketing Board usually is established in government by the industry group the marketing board will govern, and the governing board members are appointed from that industry. This device is used mostly for marketing agricultural products such as milk. It has been a useful means of preventing gluts on the retail market of perishable products along with ruinous slashing of prices paid to the farmer.

There is cause to wonder whether the techniques of government control useful 40 years ago are pertinent today and

whether the consumer interest is served or sacrificed by these techniques.

So, in some States, a consumer member is being named to each marketing board. Again this may be an opportunity for a consumer leader to make an advance in the manner in which all consumers in the State are served in the marketplace. On the other hand, it may be meaningless tokenism where one member serves only to give the appearance, not the substance, of public participation. But as Barbara Erickson, home economist and consumer advocate who served on the California Milk Advisory Board, says, "Not everything that is faced can be changed, but nothing can be changed until it is faced." Ms. Erickson's guidebook to marketing orders governing the flow to market of agricultural products for public members is entitled *In the Public Interest*. It can be ordered for $1.75 from Etc. Consumer Consultants, 7373 Willow Lake Way, Sacramento, CA 95831.

Many marketing orders are Federal, rather than State, emanating from the U.S. Department of Agriculture's Marketing Service. The need for public participation is no less great there.

Like local governments, State governments make much use of Advisory Boards and Committees. If you want to participate at the State level, follow the same steps as you would at the local level. Usually expenses for participation on State advisory boards are covered by the State.

Federal Government

In September 1976, 17 agencies and departments of the Federal Government published Consumer Representation Plans in response to a Presidential order to become more responsive to consumers.

Agency plans vary from creating a consumer affairs division, to adding consumers to advisory committees, to streamlining consumer complaint handling. Some of the agencies are also increasing chances for consumers to have a say in decisions and actions at their regional offices.

The plans for each agency can be found in the *Federal Register, Part II*, September 28, 1976, Vol 41, No. 189.

If you decide that a certain issue should be dealt with at the Federal level, a book which preceded the consumer representation plans may be of help. *Working on the System: A Comprehensive Manual for Citizen Access to Federal Agencies*, a publication of the Center for Study of Responsive Law, tells how to get information about agencies and the "rules of the game" in administrative procedures. It also tells how citizens can gain access to 13 Federal agencies. The book is published by Basic Books, Inc., 10 E. 53rd St., New York, NY 10022. The price is $15.

The Federal Trade Commission Improvements Act allows the FTC to use public funds to enable interested persons or groups to participate in

its rulemaking proceedings. The funds can go toward attorney fees, expert witness fees, and other costs of participation. The FTC has already contracted with local consumer groups for research and testimony. (For instance, San Francisco Consumer Action and the Iowa Consumers League members testified at FTC hearings on nutritional advertising regulations.) The consumer group contracts to research a problem on which the FTC plans hearings and later presents testimony about the problem and proposed solutions at a hearing. If the problem is one many of your members have, you will have valuable evidence for the hearing and may be able to serve your members by helping to get rid of the source of the problem.

Hearings are adversary and the witness should be prepared to be cross-examined on the testimony presented. For information on such opportunities, contact the director of your regional Federal Trade Commission office or Special Assistant for Compensation, Bureau of Consumer Protection, Federal Trade Commission, Washington, DC 20580. *Consumer News*, published biweekly by the Federal Office of Consumer Affairs, usually identifies current FTC investigations.

In addition, *Consumer News* includes a "Consumer Register" section to alert consumers who wish to comment on rules and regulations proposed by many Federal agencies. Subscriptions to *Consumer News* are $4 a year; checks should be payable to "Superintendent of Documents." Order from: Consumer Information Center, Pueblo, CO 81009.

Other Federal agencies are being urged to follow the lead of the FTC and provide financial assistance to citizens who want to participate in their regulatory proceedings. For more information on proposed legislation to compensate citizens for participation in other agency proceedings contact: Congress Watch, 133 C St., SW., Washington, DC 20003.

Consumer testimony is often very valuable to support an administrator's move to correct an abuse. Those who don't want the abuse corrected argue there is no need for more governmental interference. Consumers who know the abuse can often make the difference between getting it corrected or not by their testimony describing actual cases of abuse and supporting the administrator's efforts to rule them illegal.

Other Techniques

Founded in the First Amendment to the Constitution is one of the most basic rights of any individual or group—the right to petition the government for redress of grievances. Increasingly, this right is being used by groups of consumers to get administrative agencies to take needed action. Almost every agency has procedures by which this is done, usually rather formal ones. Ask the relevant agency for a copy of its rules for receiving petitions.

Consumers Union has petitioned the Food and Drug Commissioner to establish regulations requiring *drained* weight labeling on food products such as canned fruit and vegetables. The Commissioner clearly has the power to do this. He hadn't initiated any move toward it, however, until petitioned by Consumers Union.

State public utility commissions, especially now, are being petitioned to take action. When consumers face the unrestrained right of utility companies to make their own rules about disconnections, security deposits, and charges for reconnections, a petition to the State commission, properly filed, requires that the matter be considered.

Administrative actions can also be called into question after they are taken. Since administrative agencies are all legislative creations, their actions are almost universally subject to review, either judicially or legislatively, and sometimes both. Review rules are fairly formal and point up the importance of participating in a proceeding from the outset. Under the typical review rules, failure to participate in the initial stages of the rule-making often precludes participation in review proceedings. Also, participation in the rule-making itself can substantially ease the burden of showing the direct injury necessary to establish standing to request review and appeal.

You don't have to travel to the capital or the county seat to lobby. You can get acquainted with your elected representative—city councilman or U.S. Senator—on your home base.

A few members of the board of your organization might call on him (her) by appointment when he's in the community to tell him of the group's priorities. Ask if he would like to receive your newsletter. Ask if he issues one you might receive. You can arrange with a reporting service at the capital, such as Congress Watch, to give you a report on his consumer voting record and to let you know when votes are coming up that will affect your members so that you can write or phone him before he votes. Let him hear from you every time his vote pleases you as well as when it doesn't.

In all participation in behalf of a group, whether with industry or in government, a measure of your status, a gauge of your power to influence, and a question you will frequently be asked openly is: How many people do

you represent? So building the membership, the first advice of the seasoned consumer leaders, is the key to your group's effectiveness in the marketplace and in government. That's where it's at. The authors hope this guidebook helps.

Notes

1. Paul N. Bloom, Gary T. Ford, and James W. Harvey, "An Evaluation of Televised Consumer Education: A Pilot Study" (Maryland, 1976).

2. National District Attorneys Association, *Fighting the $40 Billion Rip-Off: An Annual Report from the Economic Crime Project* (Washington, DC, 1976), p. 55

3. "Help from Uncle Sam," *Everybody's Money*, Autumn 76, p. 15.

4. Victor H. Nyborg, "The Role of Better Business Bureaus" (1966), quoted in Grant S. McClellan, ed., *The Consumer Public* (New York, 1968), p. 129.

5. Doris Faber, *Enough* (New York, 1972), p. 106.

6. Arthur E. Rowse, ed., *Help: The Useful Almanac* (Washington, DC, 1976), p. 22.

7. Ibid., p. 25.

8. Jean Carper, "You Can Get Your Money Back" (1976), condensed in *Reader's Digest*, May 1976, p. 109.

9. Reader Relations Committee of the Associated Press Managing Editors Association, *Action Lines* (1973).

10. Arthur Levine, "Better Than Deep Throat," *Washington Monthly*, April 1975, p. 46.

11. "What is a Complaint Committee?" *CA News*, September/October 1976, p. 3. *CA News* is published by San Francisco Consumer Action. In addition to the newsletter, SFCA has published consumer guides to banking, auto insurance, and pharmacies which could serve as models for other local consumer groups. For more information contact: San Francisco Consumer Action, 26 Seventh St., San Francisco, CA 94103.

12. Interview with John Ruhnka, National Center for State Courts, Denver, CO, January 1977.

13. Howard Bellman, speech on dispute settlement alternatives, July 9, 1976, to Fourth National Seminar for Directors of Consumer Agencies in State and Local Government, Milwaukee, WI, sponsored by the Center for Consumer Affairs, University of Wisconsin-Extension. Bellman is director of employment relations studies for the Wisconsin Center for Policy Study, Madison, WI. He serves on several State and national arbitration panels.

14. The addresses for the consumer groups in the case studies are as follows:

1. Virginia Citizens Consumer Council, Inc., Box 777, Springfield, VA 22150.
2. PIRGIM, 590 Hollister Building, 106 W. Allegan St., Lansing, MI 48933
3. Michigan United Conservation Clubs, P.O. Box 2235, Lansing, MI 48933
4. Texas Consumer Association, 812 San Antonio, Suite 200, Austin, TX 7870l.
5. Utility Consumers Council of Missouri, Inc., 631 E. Polo Drive, Clayton, MO 63105, c/o Alberta Slavin
6. Northeastern Minnesota Consumers League, 206 W.

Fourth Street, Duluth, MN 55806

7. The Concerned Consumers League, Inc., 524 W. National Avenue, Milwaukee, WI 53204
8. Consumers Against High Prices, c/o Mrs. Ada Vladimer, Andover, G162, West Palm Beach, FL 33409

Readers should be advised, however, that most of the groups are not equipped to provide technical assistance to new consumer groups.

15. Richard Grossman, "Being Right is Not Enough," *Environmental Action Magazine*, December 18, 1976, p. 4. Back copies of the issue containing this article, which discusses the failings of the antinuclear movement, are available for 75 cents from: Environmental Action Inc., Suite 731, 1346 Connecticut Ave., Washington, DC 20036.

16. Washington Center for the Study of Services, *Final Report. Demonstration of Metropolitan Area Consumer Services Evaluation: Guide for Starting a Local Service Evaluation Magazine* (Washington, DC, 1975), p. 2.

17. "Dear Friends," *Just Economics*, June 1976, p. 5.

18. Interviews with Doris Behre, early president of Virginia Citizens Consumer Council and member of board of directors of Consumer Federation of America; Steven Brobeck, coordinator, Cleveland Consumer Action and member of board of directors of CFA; Ellen Haas, recently president of Maryland Citizens Consumer Council, past associate director and later acting executive director of the National Consumers League, a member of the founding board of directors of National Consumers Congress and a vice president of CFA; Eileen Hoats, formerly executive director of New York Consumer Assembly and past president of CFA; Kay Pachtner, one of the founders of San Francisco Consumer Action, until recently its executive director, and member of the board of directors of CFA; David Pittle, one of the founders and a leader of the Pittsburgh, PA, Alliance for Consumer Protection until appointed Commissioner, U.S. Consumer Product Safety Commission; Lee Richardson, early president of the Louisiana Consumers League and president, CFA; Alberta Slavin, president, Utility Consumers Council of Missouri, Inc., and vice president of National Consumers Congress, conducted January 1977.

19. Phil Broman, "The Logic of Trying the Untried," presentation to 18th Annual Advertising Age Creative Workshop, Chicago, IL, June 24, 1975.

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